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# COTTON



HEARING  
BEFORE THE  
SUBCOMMITTEE ON COTTON  
OF THE  
COMMITTEE ON AGRICULTURE  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH CONGRESS

SECOND SESSION

ON

Section 1—H.R. 11049  
ACREAGE REMEASUREMENTS

Section 2—H.R. 11646  
COTTON CLASSIFICATION, STATISTICS, AND PENALTIES

Section 3—H.R. 11144 and H.R. 12115  
EXTRA LONG STAPLE COTTON MARKETING QUOTAS

*pages 38-60*

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# COTTON

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FRIDAY, MAY 13, 1960

HOUSE OF REPRESENTATIVES,  
COMMODITY SUBCOMMITTEE ON COTTON  
OF THE COMMITTEE ON AGRICULTURE,  
Washington, D.C.

## SECTION 1—H.R. 11049

### ACREAGE REMEASUREMENTS

The subcommittee met at 10:10 a.m., pursuant to notice, in room 1310, New House Office Building, Hon. E. C. Gathings (chairman of the subcommittee) presiding.

Present: Representatives Gathings, Poage, Hagen, Belcher, Teague of California, and Pirnie.

Also present: Representative Jones of Missouri and Stubblefield.

Christine S. Gallagher, clerk; Hyde Murray, assistant clerk; and, John J. Heimbürger, counsel.

Mr. GATHINGS. The subcommittee will come to order.

The first bill that we have for consideration this morning is H.R. 11049, by Mr. Cooley, and without objection, it will be incorporated into the record at this point.

(H.R. 11049 follows:)

[H.R. 11049, 86th Cong., 2d sess.]

A BILL To treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 374(b) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1374(b)), is amended by striking out the last sentence thereof.

SEC. 2. Section 374(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following. "The Secretary shall by appropriate regulations provided for the remeasurement upon request by the farm operator of the acreage planted to such commodity on the farm and for the measurement of the acreage planted to such commodity on the farm remaining after any adjustment of excess acreage hereunder and shall prescribe the conditions under which the farm operator shall be required to pay the county committee for the expense of remeasurement after the initial measurement or the measurement of adjusted acreage. Unless the requirements for measurement of adjusted acreage are met by the farm operator, the planted acreage determined by the county committee shall be considered the acreage of the commodity on the farm in determining whether the applicable farm allotment has been exceeded."

Mr. GATHINGS. The first witness we have is Mr. H. Laurence Manwaring, Deputy Administrator, Production Adjustment, CSA of the U.S. Department of Agriculture.

We will be glad to hear from you now, Mr. Manwaring.

STATEMENT OF H. LAURENCE MANWARING, DEPUTY ADMINISTRATOR, PRODUCTION ADJUSTMENT, ACCOMPANIED BY JOSEPH W. CLIFTON, DEPUTY DIRECTOR OF PERFORMANCE DIVISION, CSS, U.S. DEPARTMENT OF AGRICULTURE

Mr. MANWARING. Mr. Chairman and members of the committee, this bill would provide authorization for the Secretary to provide uniform remeasurement on all commodities. At the present time, the law provides that we shall remeasure cotton, and if it is found that the farmer is in compliance with his allotment, to refund the advance that he has made for the remeasurement.

Mr. GATHINGS. How much will we have advanced?

Mr. MANWARING. This varies according to the area, because wage rates are different in different areas. This is left to the State committees at the present time to determine the cost for the remeasurement. We do it as nearly at cost as we possibly can.

Mr. GATHINGS. That entails quite a lot of administrative difficulty in the various areas, to determine just what the cost is and then how much the refund is, does it not?

Mr. MANWARING. Yes, but he puts up an amount in advance for the remeasurement. We go ahead and do the remeasuring, then if he is in compliance we make the refund. If he is not in compliance, there is no refund.

Mr. GATHINGS. This is to put cotton on the same basis with other commodities?

Mr. MANWARING. Yes, sir. At the present time we remeasure other commodities by administrative determination.

We have set up an administrative rule by which we operate. In that case, if the farmer asks for a remeasurement, and we do remeasure and find that he is right and we are wrong, we refund. He does not have to be in compliance with his allotment.

Mr. GATHINGS. That is as it is at the present?

Mr. MANWARING. In other words, if he were 20 acres over and he said, "I just do not believe that I am," and we remeasure and find that he is only 15 acres over, where we are that close, we would refund.

Mr. GATHINGS. What would it do in respect to the measurement of farms under section 374(b)?

Mr. MANWARING. Under (b) we would delete the one sentence that is there now with respect to cotton, then we would—

Mr. GATHINGS. What language is it that you are referring to as to be deleted?

Mr. MANWARING. By deleting the last sentence of 374(b).

Mr. GATHINGS. You would delete that?

Mr. MANWARING. Yes.

It reads:

The Secretary shall similarly provide for the remeasurement upon request by the farm operator of the acreage planted to cotton on the farm, but the operator shall be required to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage.

Mr. GATHINGS. You want to strike that and to make cotton the same as other basic commodities?



Mr. MANWARING. Yes.

Mr. GATHINGS. And you want to substitute the language of the Cooley bill by adding to subsection (c) and the language as contained in the bill, which starts on line 8—

The Secretary shall by appropriate regulations provide for the remeasurement upon request by the farm operator of the acreage planted to such commodity on the farm for the measurement of the acreage planted to such commodity on the farm remaining after any adjustment of excess acreage hereunder and shall prescribe the conditions under which the farm operator shall be required to pay the county committee for the expense of measurement after the initial measurement or the measurement of adjusted acreage. Unless the requirements for measurement of adjusted acreage are met by the farm operator, the planted acreage determined by the county committee shall be considered the acreage of the commodity on the farm in determining whether the applicable farm allotment has been exceeded.

Mr. MANWARING. Yes, sir.

Mr. POAGE. What are you going to do with the farmers then, that is, just how does this relate to them?

Mr. MANWARING. Mr. Poage, all this would do would be to authorize the Secretary to set up rules for the remeasurement and we would likely continue with the rule we have now.

Mr. POAGE. I know, but—

Mr. MANWARING. I am coming to the answer to your question. The present rule provides that in other commodities if a man feels as though our measurement is not accurate and he wants to remeasure, he makes a deposit, as he does now on cotton. We then go back and remeasure. And if we find that the measurement is in error, we do refund to him, but he does not have to come within the allotment.

Mr. POAGE. You do not have many instances where that is the case?

Mr. MANWARING. No, but we do have some cases where we measure the acreage and find that it is 120, instead of 100, and he says, "It is not that far out," and we go back and remeasure it and find that he is right, that it is 115, and in that case we would refund.

Mr. POAGE. I do not find any objection to that. But I just do not think that you ought to apply it only to cotton.

Mr. MANWARING. We would apply it to all commodities, if this bill were passed.

Mr. POAGE. At the moment you say that you would, but you could do something else if you wanted to.

Mr. MANWARING. Yes. But I am sure that we would not want to, because we have found this very effective and we think it is fair.

Mr. POAGE. Why do you not just write it into the law that the same rule applies for everybody?

Mr. MANWARING. The only reason that we have worded it as generally as we have is to permit us to take care of conditions that we may not now know about and to make such revisions as we think would be necessary to make it completely equitable, if we find that we are not now equitable.

Mr. GATHINGS. Will you yield?

Mr. POAGE. Yes.

Mr. GATHINGS. I would like to ask if you would supply for the record the regulation that now governs wheat and rice, peanuts, and other commodities?

Mr. MANWARING. We will be glad to do that.

Mr. GATHINGS. You will put that in the record?

Mr. MANWARING. Yes.

(The information follows:)

Performance Handbooks 2-PP and 3-PP

Performance Regulation Bulletin

# UNITED STATES DEPARTMENT OF AGRICULTURE

## Commodity Stabilization Service

### REGULATIONS GOVERNING DETERMINATION OF ACREAGE AND PERFORMANCE FOR FARM MARKETING QUOTAS, ACREAGE ALLOTMENTS, AND SOIL BANK PROGRAMS

[Reprinted from the Federal Register of May 27, 1959]

#### TITLE 7—AGRICULTURE

#### CHAPTER VII—COMMODITY STABILIZATION SERVICE (FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS), DEPARTMENT OF AGRICULTURE

##### PART 718—DETERMINATION OF ACREAGE AND PERFORMANCE

###### Sec.

- 718.1 Basis and purpose and applicability.
- 718.2 Definitions.
- 718.3 Functions of county committee, Director, and Deputy Administrator.
- 718.4 Identification of farms.
- 718.5 Methods of measurement.
- 718.6 Equipment and materials.
- 718.7 Farm inspection, measurement of acreages and determination of performance.
- 718.8 Report of acreage.
- 718.9 Determination and computation of acreage.
- 718.10 Notices to farm operators.
- 718.11 Spot checks.
- 718.12 Redetermination of acreages.
- 718.13 Determination and adjustment of excess acreage.
- 718.14 Cost of measurement.
- 718.15 State committee option.

AUTHORITY: §§ 718.1 to 718.15 issued under sec. 374, 375, 52 Stat. 65, 66, sec. 401, 63 Stat. 1054, sec. 403, 61 Stat. 932, sec. 124, 70 Stat. 198; 7 U.S.C. 1374, 1375, 1421, 1153, 1812.

#### § 718.1 Basis and purpose and applicability.

(a) *Basis and purpose.* The regulations contained in §§ 718.1 to 718.15, each inclusive, are reissued pursuant to and in accordance with the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301 et seq.), the Agricultural Act of 1949, as amended (7 U.S.C. 1441 et seq.), the Sugar Act of 1948, as amended

(7 U.S.C. 1100 et seq.), and the Soil Bank Act (7 U.S.C. 1801 et seq.), and are intended to govern generally the determination of acreages and performance under the marketing quota, acreage allotment, sugar, and Soil Bank programs. Prior to the reissuance of this part, public notice of proposed changes in existing regulations, as amended (22 F.R. 3747, 5675, 7418; 23 F.R. 3313, 5321), was given in accordance with the Administrative Procedure Act (5 U.S.C. 1003).

The data, views, and recommendations pertaining thereto which were submitted have been duly considered. Since the determination of acreages of crops on farms under the above programs is now in progress, it is hereby determined that compliance with the provisions of the Administrative Procedure Act (5 U.S.C. 1003) with respect to the effective date is impracticable and contrary to the public interest and that §§ 718.1 to 718.15, each inclusive, shall become effective upon publication in the FEDERAL REGISTER subject to the provisions of paragraph (b) of this section.

(b) *Applicability.* This part shall apply generally to the determination of acreage and performance with respect to marketing quota, acreage allotment, sugar, and Soil Bank programs, hereinafter referred to as "programs", for 1959 and subsequent years established pursuant to the Agricultural Adjustment Act of 1938, as amended, the Agricultural Act of 1949, as amended, the Sugar Act of 1948, as amended, or the Soil Bank Act and shall be deemed as supplemental to any specific regulations pertaining to determination of acreage and performance in connection with such programs and in case of conflict, such specific regulations shall control over this part. Acreages measured prior to the effective date of this part in accordance with §§ 718.1 to 718.15, each inclusive, as amended (22 F.R. 3747, 5675, 7418; 23 F.R. 3313, 5321), shall be used where



pertinent in determining acreages of allotment crops for 1959 or compliance with Soil Bank contracts. The definition of "farm" as hereinafter set out shall not be applicable to the Sugar Act of 1948, as amended.

### § 718.2 Definitions.

As used in §§ 718.1 to 718.15, each inclusive, and in all instructions, forms, and documents in connection therewith, the words and phrases defined in this section shall have the meanings herein assigned to them unless the text or subject matter otherwise requires.

(a) The terms, words, or phrases "allotment," "county," "cropland," "farm," "farm serial number," "photograph number," "producer," "reconstitution," and "soil bank contract" shall have the same meanings assigned to them as are assigned in § 719.2 of this chapter, Farm Constitution and Allotment Record Regulations, as now published or as may be hereafter amended, it being the intent and purpose that the foregoing terms, words, and phrases shall at all times have the same meanings in this part and Part 719 of this chapter.

(b) "Allotment crop" means any crop for which an acreage allotment or proportionate share is established pursuant to the Agricultural Adjustment Act of 1938, as amended, the Agricultural Act of 1949, as amended, or the Sugar Act of 1948, as amended.

(c) "Area Director" means the director in the office of the Deputy Administrator for the administrative area to which the State is assigned, or the person acting in such capacity.

(d) Committees:

(1) "Community committee" means the persons elected within a community as the community committee, pursuant to the regulations governing the selection and functions of Agricultural Stabilization and Conservation county and community committees under section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended.

(2) "County committee" means the persons elected within a county as the county committee, pursuant to regulations governing the selection and functions of Agricultural Stabilization and Conservation county and community committees under section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended.

(3) "State committee" means the persons in a State designated by the Secretary as the Agricultural Stabilization and Conservation State committee under section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended.

(e) "Competitive crop" means a crop which is planted at approximately the same time in alternate rows or strips with another row crop, both of which will mature at approximately the same time and compete for moisture and plant foods during the entire growing season.

(f) "County office manager" means the person employed by the county committee to execute the policies of the county committee and be responsible for the day-to-day operations of the Agricultural Stabilization and Conservation county office, or the person acting in such capacity.

(g) "County supervisor" means the county performance supervisor who is delegated responsibility for the day-to-day field operations in connection with the acreage and performance work in the county.

(h) "Cut-out" means a portion of a photograph showing one farm or a group of small farms.

(i) "Department" means the United States Department of Agriculture.

(j) "Deputy Administrator" means the Deputy Administrator, or the Acting Deputy Administrator, Production Adjustment, Commodity Stabilization Service, United States Department of Agriculture.

(k) "Director" means the Director, or Acting Director, Performance Division, Commodity Stabilization Service, United States Department of Agriculture.

(l) "Field" means a part of a farm which is separated from the balance of the farm by a complete permanent boundary.

(m) "Non-competitive crop" means a crop which is planted in alternate rows or strips with another crop but does not compete for moisture and plant food during the entire growing season because of later planting or earlier maturity.

(n) "Normal row width" means the distance between rows of crops in the field provided such distance is 36 inches or more.

(o) "Operator" means the person who is in charge of the supervision and conduct of the farming operations on the entire farm.

(p) "Permanent boundary" means a fixed boundary such as a fence, permanent ditch, creek, lane, wood line, farm boundary, or similar permanent features or combinations thereof.

(q) "Person" means an individual, partnership, association, corporation, estate or trust, or other business enterprise or other legal entity and, whenever applicable, a State, a political subdivision of a State or any agency thereof.

(r) "Reporter" means the person employed by the county office manager to secure the necessary information and measurements to determine the acreage of crops for which measurements are required.

(s) "Scale of photograph" means the number of feet measured on the ground represented by one inch on the photograph.

(t) "Secretary" means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has been delegated, or to whom authority may hereafter be delegated, to act in his stead.

(u) "Sketch" means an approximate map of a farm or field drawn from observations and measurements.

(v) "Spot check" means a determination of the acceptability of the work performed by a reporter by any employee of the State Agricultural Stabilization and Conservation office of the Department when so authorized by the State administrative officer, or any employee of the county committee when so authorized by the county office manager, or any employee of the Department when so authorized by the Deputy Administrator.

(w) "State administrative officer" means the person employed by the State committee to execute the policies of the State committee and to be responsible for the day-to-day operations of the Agricultural Stabilization and Conservation State office, or the person acting in such capacity.

(x) "State performance specialist" means the person employed by the State administrative officer to be responsible for the day-to-day operations of the performance work in the State.

(y) "State supervisor" means a person employed as State performance supervisor to assist the State performance specialist in carrying out the performance work in the State including spot checking the work of reporters.

(z) "Subdivision" means a part of a field or farm which is separated from the balance of the field or farm by a temporary boundary.

(aa) "Temporary boundary" means a crop line or other apparent boundary not fixed which would disappear when the crops are removed or which could be moved easily as in the case of a temporary fence.

### **§ 718.3 Functions of county committee, Director, and Deputy Administrator.**

The county committee shall provide for the measurement of farms, and the determination of performance under the regulations in this part. The Director shall cause to be prepared and issued such forms as are necessary and shall cause to be prepared such instructions with respect to internal management as are necessary for carrying out the regulations in this part. The forms and instructions shall be approved by and the instructions shall be issued by the the Deputy Administrator.

### **§ 718.4 Identification of farms.**

Each farm for which an acreage allotment or proportionate share is established or each farm for which a soil bank contract is in effect and each farm on which the county committee has reason to believe any allotment crop has been planted or is growing shall be identified by a farm number. All records pertaining to the measurement and determination of acreages of such crops shall be identified by such number.

### **§ 718.5 Methods of measurement.**

The method of measurement used in determining acreages shall be one or a combination of the following methods.

(a) *Aerial photographs.* Subject to the provisions of paragraph (b) of this section, aerial photographs shall be used when available unless based on State committee recommendations, the Director determines that because of age, use, or other reasons it is not feasible to further use available photographs for a particular area taken at a particular time.

(b) *Ground measurements.* Acreages shall be determined by ground measurements only when aerial photographs are not available or the use of the photograph is not feasible for acreage determinations on individual fields because of cultural changes or size of the fields or available photographs have been disapproved under paragraph (a) of this section.



(c) *Official acreages.* Acreages determined in previous years by the Commodity Stabilization Service of the Department from areas delineated on photography currently in use may be recognized as official. The acreage of any area designated under the conservation reserve program shall be considered as an official acreage for the period of the contract irrespective of the use of new photography for determining the acreage of other crops and land uses on the farm, unless the boundaries of the designated area are changed or the original acreage determination is later found to be in error.

(d) *Reliance on previously determined acreages.* Acreages determined and recorded in prior years which are later found to be incorrect shall be corrected, and the county office manager shall notify the farm operator in writing of the corrected acreage. When photography from a new flight is put into use, the county office manager may notify all farm operators by letter that acreages determined in previous years will no longer be considered as official and that such acreages should not be relied on for future plantings or other program purposes, except for designated conservation reserve areas. If farm operators have not been notified to disregard acreages previously determined and recorded, or if a farm operator has not been notified of a correction in an acreage previously determined and recorded for an area on his farm, and the farm operator has relied on the incorrect acreage for planting or other program purposes, the acreage on which he relied shall stand for that year only. The county office manager shall notify him immediately by letter that the corrected acreage will apply in the future.

(e) *Intertilled and fallow-stripped acreage*—(1) *Soil bank base crops.* In determining the acreage of non-allotment soil bank base crops planted in alternate rows, alternate strips, or fallow strips with idle or fallow land or non-soil bank base crops, the entire area shall be considered as planted to the soil bank base crop(s) unless the area composed of idle or fallow land or non-soil bank base crops is as wide as four normal rows of the soil bank base crop(s). If the area composed of idle or fallow land or non-soil bank base crop(s) is as wide as four normal rows of the soil bank base crop(s), only the land actually occupied by the soil bank base crop(s) shall be considered as planted to soil bank base crop(s). Where allotment crops are intertilled or fallow-stripped with non-allotment soil bank base crops and the entire area is considered as planted to allotment crops under subparagraph (2) of this paragraph, the acreage shall be counted only once in determining the acreage of soil bank base crops.

(2) *Allotment crops.* When two row crops subject to allotment or one allotment row crop and another competitive row crop are planted in alternate rows or in strips of two or more rows, the acreage shall be considered as intertilled. When an allotment row crop is planted in alternate rows or strips with non-competitive crops or in alternate rows or strips with idle or fallow land, the acreage shall be considered as fallow-stripped.

(i) *Intertilled alternate rows.* Acreages of crops intertilled in alternate rows shall be determined as follows:

(a) *Normal rows.* If the distance between each row of the crops planted is not less than the normal row width for the allotment crop (the wider normal row if two allotment crops are involved), only the land actually occupied by the allotment crop shall be considered as planted to the allotment crop.

(b) *Less than normal rows.* If the distance between the rows of the crops planted is less than the normal row width for the allotment crop, the entire intertilled area shall be considered as planted to the allotment crop.

(ii) *Intertilled alternate strips.* Acreages of crops intertilled in alternate strips shall be determined as follows:

(a) *Less than one normal row.* If the distance between the strips of the allotment crop is less than one normal row width, the entire area shall be considered as planted to the allotment crop.

(b) *Less than four normal rows.* If the distance between the strips of the allotment crop is as wide as one but less than four normal rows of the allotment crop, the acreage of the allotment crop shall be the total acreage in the area less the acreage actually occupied by any competitive crop.

(c) *Four normal rows or more.* If the distance between the strips of the allotment crop is as wide as or wider than four normal rows of the allotment crop, only the area occupied by the allotment crop shall be considered as planted to the allotment crop.

(iii) *Fallow-stripped allotment crops.* Acreages of fallow-stripped crops shall be determined as follows:



(a) *Less than four normal rows.* If the strips of idle land, fallow land, non-competitive crop(s), or a combination thereof are not as wide as four normal rows of the allotment crop, the entire area shall be considered as planted to the allotment crop.

(b) *Four normal rows or more.* If the strips of idle land, fallow land, non-competitive crop(s), or a combination thereof are at least as wide as four normal rows of the allotment crop, only the land actually occupied by the allotment crop shall be considered as planted to the allotment crop, except that individual strips which are not as wide as four normal rows shall be considered as planted to the allotment crop.

(f) *Premeasured acreages.* The county committee shall provide for the measurement prior to planting of the acreage on the farm which is to be planted to cotton, provided such acreage is not in excess of the farm cotton allotment and the farm operator requests such measurement and pays the cost thereof as determined by the county committee. The acreages of fields or subdivisions which were officially premeasured will not be redetermined unless a performance check reveals that all of the premeasured area was not utilized for the purpose for which it was premeasured or that the crop was planted outside the premeasured area. In all such cases, any part of the premeasured area which was not planted shall be measured and deducted, any additional land beyond the premeasured area which is planted to the crop shall be computed as a separate field or subdivision, and the total farm acreage for the crop shall be determined without regard to the premeasurement service made on the farm. A premeasurement service may be provided by the State committee with respect to other crops and land uses.

(g) *Deductions*—(1) *General.* In determining the acreage of any field or subdivision, a deduction shall be made, except as otherwise provided in this paragraph, for any continuous area not planted to the crop being measured or devoted to the land use designated, provided it contains three-hundredths (0.03) acre or more and is not less than (i) the smaller of 4 links or one row in width in case of a deduction around the perimeter of the field or (ii) one row in width in case of a deduction within the planted area, except that no deduction shall be made under this provision for any intertilled or fallow-stripped arrangement described under paragraph (e) of this section. Where the system of farming requires or the producer elects not to plant rows or strips of the crop for convenience in cultivating, dusting, irrigating, harvesting, or similar cultural operations, such areas shall not be eligible for deduction unless they meet the minimum four-row width requirement prescribed under paragraph (e) of this section.

(2) *Terraces and sod waterways.* Terraces or sod waterways not planted to the crop being measured or devoted to the land use designated shall be deducted, provided the area involved is not less than one row in width. Such eligible areas may be deducted regardless of size.

(3) *Deductions from tobacco.* In the case of tobacco the following shall apply:

(i) Any noncropland area of one-hundredth (0.01) acre or more (computed in hundredths) not planted to tobacco, such as a rock pile, building, pond, or sink hole which could not be planted to tobacco and cropland used for turnrows may be deducted whenever the total acreage of tobacco for the farm is in excess of the farm allotment.

(ii) The area included in sled (slide box) rows shall be deducted from the acreage of flue-cured tobacco provided the sled row is at least one normal row in width and there is not more than one sled row for each four normal rows of tobacco, except that where an acceptable sled row pattern has been followed in the field, a sled row nearest one edge of the field may be deducted even though it serves less than four rows. The area in all eligible sled rows may be combined and deducted without regard to the three-hundredths (0.03) acre minimum.

(h) *Adjustment credit*—(1) *General.* Adjustment credit shall not be given for any area not planted to the crop being measured which was not eligible for deduction under paragraph (g)(1) of this section, except that the minimum area to be deducted and the minimum width for deductible areas may be increased pursuant to § 718.15 in which case such minimums shall control. Otherwise, adjustment credit may be permitted as provided for in subparagraphs (2) and (3) of this paragraph.

(2) *For tobacco.* The minimum area which may be disposed of to adjust to the allotment shall be three-hundredths (0.03) acre unless the total excess for the farm is less than three-hundredths (0.03) acre in which case the minimum shall be in the amount of the excess.

(3) *For other crops.* The minimum area which may be disposed of to adjust the acreage shall be one-tenth (0.1) acre, unless the total excess for the farm is less than the minimum, in which case the minimum shall be the amount of the excess.

#### **§ 718.6 Equipment and materials.**

Equipment and materials to be used by reporters in making measurements and recording acreage data shall be prescribed by the Deputy Administrator. Any basic equipment and materials not so prescribed shall not be used.

#### **§ 718.7 Farm inspection, measurement of acreages, and determination of performance.**

The measurement of allotment crops and the determinations of performance with respect to any program on a farm shall be made by a reporter who has been authorized by the county office manager to make such measurements and performance determinations on that farm. Each farm for which such measurements or performance determinations with respect to any program is required, including any farm on which the county committee has reason to believe an allotment crop has been planted or will be harvested, shall be assigned to a reporter for inspection, measurements, or other determinations as may be required. This assignment will constitute the reporter's authority to visit the farm and enter thereon for the purpose of making applicable measurements or other performance determinations where such entry will facilitate measurement. If requested to do so by any producer interested in the farm, the reporter shall present a written certification from the county office manager authorizing him to secure measurements or other performance data applicable to that farm. The reporter may request the operator, or his representative, or a producer on the farm to designate all fields and crops on the farm for which measurements are required and to assist the reporter in securing such measurements. If requested to do so the operator, or his representative, or the producer shall designate all fields of such crops and may assist the reporter in making the measurements. The reporter may be assisted in securing measurements and performance data by another reporter, a community, county, or State committeeman, a State committee representative, a county office manager, an employee of the county office when authorized by the county office manager, or by an employee of the Department when authorized by the Deputy Administrator.

#### **§ 718.8 Report of acreage.**

The farm operator or his representative shall file a report with the county committee or a representative of the county committee on the form provided for such purpose. The report shall include, over the signature of the operator or his representative, a certification that the crops and land uses reported by fields represent all of such crops and land uses on the farm as constituted and designated by the farm number appearing in the heading thereof for which the report is filed. A report of acreage shall not be considered complete unless signed by the operator, or his representative, and the issuance of a marketing card may be withheld until the signature is obtained.

#### **§ 718.9 Determination and computation of acreage.**

Acreages shall be determined by the county Agricultural Stabilization and Conservation office by computations of data secured by the reporter. The following rules of fractions and extent of calculations govern the computation of field and farm acreages for various commodities and are established to aid in administration, and any tolerance permitted is not to be construed as a privilege to any producer to exceed the farm allotment.

(a) *Tobacco.* Each field or subdivision computed will be recorded in acres and hundredths of acres, dropping all thousandths, except where the field or subdivision being measured is less than one-hundredth (0.01) acre in which case the computations shall be carried to five decimal places and the acreage recorded in acres and thousandths. The total farm acreage of each kind of tobacco shall be the sum of the field and subdivision acreages of each kind of tobacco and shall be recorded in acres and hundredths of acres.



(b) *Crops and acreages other than tobacco.* Each field or subdivision computed will be recorded in acres and hundredths of acres, dropping all thousandths. The total farm acreage for each allotment crop or other crop classification shall be the sum of the field and field subdivision acreages of each allotment crop or other crop classification and shall be recorded in acres and tenths, dropping all hundredths.

#### § 718.10 Notices to farm operators.

(a) *General.* After the determination of the acreages for the farm which are relevant in determining compliance with the allotment for an allotment crop or performance with respect to a program, a written notice of such acreages shall be mailed by the county office manager, or on behalf of the county office manager by an employee of the county office, to the farm operator. The notice shall be on a form prescribed by the Deputy Administrator for the particular commodity or program, and mailing of the notice to the farm operator shall constitute notice to each producer on the farm.

(b) *Erroneous notice.* If, under applicable regulations, a farm is determined to be out of compliance for marketing quota, price support, or soil bank purposes, the farm nevertheless shall be deemed in compliance with the acreage allotment for marketing quota and price support purposes and not in violation of the conservation reserve contract with respect to the farm (unless excess acreage is located on the conservation reserve area) if the county committee, with the approval of the State administrative officer, determines that lack of compliance was caused by all of the following:

(1) Reliance in good faith by the farm operator on an erroneous notice of measured acreage issued hereunder; and

(2) Neither the farm operator nor any producer on the farm had actual knowledge of the error in time to adjust the excess acreage in accordance with applicable regulations; and

(3) The incorrect notice was the result of an error made by the performance reporter or by another employee of the county or State office in reporting, computing, or recording an acreage for the farm; and

(4) Neither the farm operator nor any producer on the farm was in any way responsible for the error; and

(5) The extent of the error in the erroneous notice was such that the farm operator would not reasonably be expected to question the acreage of which he was erroneously notified.

(c) *Administrative variances*—(1) *Tobacco.* In case of tobacco, if the acreage determined for the farm does not exceed the farm tobacco allotment by more than the larger of one-hundredth (0.01) acre or two percent of such allotment not to exceed nine-hundredths (0.09) acre, the farm tobacco acreage shall be considered within the allotment. If the tobacco acreage determined for the farm exceeds the allotment by more than this amount, the tobacco acreage shall be considered in excess of the farm allotment and disposition shall not be limited to the acreage necessary to bring the acreage within the prescribed administrative variance. In such cases, the farm will not be considered in compliance unless disposition is made of all acreage in excess of the allotment.

(2) *Other allotment crops.* For all other allotment crops except sugar, if the acreage determined for the farm does not exceed the applicable acreage allotment, or permitted acreages of allotment crops, by more than the larger of one-tenth (0.1) acre or two percent not to exceed nine-tenths (0.9) acre, the farm acreage for that crop shall not be considered in excess of the allotment (permitted acreage in the case of wheat and peanuts). If the acreage determined for a crop exceeds the allotment (permitted acreage in the case of wheat and peanuts) by more than this amount, the farm shall be considered in excess. If the producer elects to dispose of the excess acreage, the total acreage disposed of shall not be less than the total excess acreage.

#### § 718.11 Spot checks.

The State or county committee or the Deputy Administrator may at any time require a spot check of the acceptability of the work performed by any reporter or reporters pursuant to § 718.7 on any farm. The person authorized to make such spot check shall enter on the farm if such entry will facilitate the spot check. If requested to do so by any producer interested in the farm, the person authorized to make the spot check shall present his written authorization to spot check that farm.

**§ 718.12 Redetermination of acreages.**

(a) The State or county committee or the Deputy Administrator may require redetermination of the acreage and performance at any time with respect to any program for any farm. A redetermination of acreage shall be based on measurements made by a person authorized to make such measurements. If the farm operator or other producer interested in the crop requests a remeasurement of an acreage which he believes to be in error, such acreage shall be remeasured provided the producer deposits the cost of remeasurement with the county office and files a request for remeasurement within 15 days from the date the initial notice of the acreage determination is mailed to the farm operator for all crops except tobacco, and in the case of tobacco, within 10 days of such date: *Provided, however,* That the State committee may provide for the reduction of such time in the case of flue-cured tobacco to 7 days. The applicable time limit shall be shown on the notice of acreage determination. The cost of the remeasurement shall be as determined by the county committee with the approval of the State committee. Remeasurement shall be accomplished by the same method used in the original acreage determination unless it is established that such method was not applicable under § 718.5. After the remeasurement of any acreage, the county office manager shall notify the farm operator of the acreage as determined by remeasurement. If the farm operator or any producer interested in the acreage planted to a crop on the farm applies for a remeasurement within a reasonable length of time after the end of the prescribed period, deposits the cost of the remeasurement with the county office, and establishes to the satisfaction of the county committee or the county office manager that failure to request remeasurement within the prescribed period was due to conditions beyond the control of the producers on the farm, the county committee or the county office manager shall grant the request for remeasurement and shall so notify the farm operator in writing. The deposit made by the producer will be refunded under the following conditions:

(1) *Cotton acreage.* In the case of cotton acreage remeasurements, the deposit will be refunded only when:

(i) The remeasurement reduces the acreage sufficiently to bring the acreage within the farm cotton allotment; or

(ii) The producer claimed that the original measurement was too small, the remeasurement reveals that an error of at least three percent or five-tenths (0.5) acre, whichever is larger, was made in the original determination, and the acreage as redetermined is within the cotton allotment for the farm.

(2) *Crops other than cotton.* In the case of crops or programs other than cotton, the deposit will be refunded only when:

(i) The producer claimed that the original acreage determination was too large and the remeasurement brings the acreage within the allotment, or within the permitted acreage for the farm in case of the soil bank program, or reduces the acreage as much as three percent or five-tenths (0.5) acre, whichever is larger; or

(ii) The producer claimed that the original acreage determination was too small and the remeasurement increases the acreage as much as three percent or five-tenths (0.5) acre, whichever is larger.

(b) A second or succeeding remeasurement at the request of the farmer shall be made only upon approval of the State committee.

**§ 718.13 Determination and adjustment of excess acreage.**

(a) *General.* If the acreage of the respective crop(s) exceeds the farm acreage allotment or the permitted acreage for the farm and the farm operator or other producer elects to dispose of the excess in accordance with applicable regulations, the farm shall be revisited for the purpose of determining the adjusted acreage under the conditions outlined in this section. Where the producer must pay the cost of determining the adjusted acreage, the amount required shall be as determined by the county committee with the approval of the State committee.

(1) *Peanuts.* Farms will be revisited to determine the initially adjusted peanut acreage at the expense of the ASC county office when:

(i) The total acreage of peanuts on an allotment farm exceeds the peanut allotment; or

(ii) An acreage of peanuts has been measured on a farm for which no allotment is established and a statement of the operator or his representative that peanuts would not be dug was not obtained on the report of acreage.



Notwithstanding subparagraph (1) (i) and (ii) of this paragraph, a revisit to a farm is not required when the total peanut acreage is determined to be one (1.0) acre or less and no producer on the farm is interested in an acreage of peanuts planted on another farm. Revisits to a farm for the purpose of determining the dug acreage or a further adjustment of an excess acreage, other than provided for in this section shall be made only upon request and payment of the cost by the farm operator.

(2) *Wheat.* If the total acreage of wheat determined for the farm exceeds the allotment or 15 acres, whichever is larger, the farm shall be revisited for the purpose of determining the initially adjusted acreage at the expense of the ASC county office. In other cases, the farm will be revisited for the purpose of determining the adjusted acreage of wheat only upon request and payment of the cost of measuring the adjusted acreage.

(3) *Allotment crops other than peanuts and wheat.* If the measured acreage of any allotment crop other than peanuts or wheat is in excess of the farm acreage allotment and the producer elects to adjust the acreage by disposition of such excess, the farm shall be revisited for the purpose of determining the adjusted acreage upon timely receipt of a request from the producer and payment of the cost.

(4) *Other soil bank acreages.* If the producer elects to adjust the measured acreage of other soil bank base crops, the farm will be revisited to determine the adjusted acreage upon request and payment of the cost of measuring the adjusted acreage. In cases where a cover crop has been approved for a designated reserve area, the disposition of the cover crop shall be determined at the expense of the ASC county office.

(b) *Measurement of acreage prior to adjustment.* The county committee may provide for the measurement and staking of the excess acreage prior to disposition and for determination of the adjusted acreage if the farm operator requests this service and pays the cost. Reporters are permitted to compute such areas in the field.

(c) *Extension of time for disposition of excess acreage—(1) By county.* If the producers on the farm are unable to dispose of the excess acreage within the time limit prescribed on the notice of excess acreage because of conditions beyond their control, a request in writing for additional time may be filed at the county office not later than the disposition date shown in the notice by any producer on the farm who has an interest in the crop involved in the excess. The reasons the producers on the farm are unable to dispose of the excess acreage within the prescribed time limit shall be set forth in the request for additional time. If the county committee, or the county office manager on behalf of the county committee, determines from the reasons stated that the producers were unable to dispose of the excess within the prescribed time limit because of conditions beyond their control, the date for disposition of such excess may be extended to not more than 30 days from the date of the initial notice of excess acreage in those instances where the date of mailing the notice establishes the disposition date or to not more than 15 days beyond the published disposition date, whichever is applicable. A revised notice shall be mailed to the farm operator showing the extended final disposition date. If an extension is denied, the operator shall be notified by letter.

(2) *By State.* If the producers on the farm were unable to dispose of the excess acreage within the time limit otherwise prescribed due to conditions beyond their control, any producer who has an interest in the crop involved in the excess may file a written request with the county office, prior to or after the time established has expired, requesting that the State committee, or the State administrative officer on behalf of the State committee, authorize the county office to grant an extension or a further extension of time. This request must show the reason why the producer was unable to comply with the disposition date of which he was notified. Upon receipt of such authorization, the county committee, or the county office manager on behalf of the county committee, shall extend the date for disposition to provide the producers a reasonable opportunity to dispose of the excess acreage. A revised notice shall be mailed to the farm operator showing the extended final disposition date. If an extension is denied, the operator shall be notified by letter.



(d) *Excess cotton, wheat, rice or soil bank base acreage remaining after re-measurement or initial disposition*—(1) *Remeasurement*. If the acreage remains in excess of the farm allotment or the permitted acreage of soil bank base crops upon remeasurement, a revised notice shall be mailed to the farm operator providing for disposition of the remaining excess within 7 days from the date of such notice for cotton, and for wheat, rice, and soil bank base crops, the notice shall provide for the disposition of the remaining excess within 7 days from the date of the notice or the applicable established disposition date, whichever is later.

(2) *Initial disposition*. If the acreage remains in excess of the farm allotment or the permitted acreage of soil bank base crops upon measurement of the adjusted acreage after the initial disposition of the excess, and the county committee or county office manager determines that the producer made an honest effort to dispose of the entire excess, a revised notice shall be mailed to the farm operator providing for disposition of the remaining excess within 7 days from the date of such notice for cotton, and for wheat, rice, and soil bank base crops, the notice shall provide for the disposition of the remaining excess within 7 days from the date of the notice or the applicable established disposition date, whichever is later.

(e) *No adjustment after harvest*. No adjustment shall be made in the planted acreage of any crop by disposition of excess acreage after any of the crop has been harvested from such acreage, except that adjustment of the farm peanut acreage or the acreage of any kind of tobacco shall be made in accordance with applicable regulations.

(f) *Notice to county office of intent or completion of disposition*. The producer shall notify the county office that he has disposed of any excess acreage or that he intends to dispose of such excess by the date(s) entered on the notice of excess acreage. The county committee, or the county office manager on behalf of the county committee, may waive notification upon finding that the excess acreage was in fact disposed of prior to the disposition date or upon submission of proof satisfactory to them that the producer was prevented from complying with the requirement because of conditions beyond his control.

#### § 718.14 Cost of measurements.

The cost of initially determining the acreage of crops for which measurements are required shall be paid from administrative funds. Additional determinations shall be made only in accordance with §§ 718.12 and 718.13.

#### § 718.15 State committee option.

(a) The State committee, upon approval of the Deputy Administrator, may establish a minimum row width for specific crops of less than the 36 inches provided for in § 718.2(n) if general cultural practices in the area warrant such action, may increase the minimum area which may be deducted under § 718.5 (g) (1) and (h) (2) and (3), may increase the minimum width allowable for deductible areas under § 718.5 (g) (1) and (2) and (h) (2) and (3), may establish a minimum area which may be deducted under § 718.5(g)(2), and may increase the five-tenths (0.5) acre minimum error as provided in § 718.12 except that in no case shall the minimum be less than one-tenth (0.1) acre.

(b) The following State committee determinations, provided for in this section, which deviate from the standards otherwise prescribed in this part are effective for 1959 and will remain effective for subsequent years unless and until amended:

Table of sections affected by State committee determinations pursuant to § 718.15

State	718.2(n)	718.5(g)		718.5(h)		718.12		
		(1)	(2)	(2)	(3)	(a-2)	(b-1)	(b-2)
Alabama	For cotton and peanuts, 32 inches.							
Arizona	0.1 A.		Minimum combined area of 0.1 A. established.		Minimum width, 4 rows. 0.2 A. All destroyed acreage must be in one plot or be made up of entire field(s) plus 1 plot. The plot to be destroyed must be an area of regular shape with no more than 4 sides and with at least 1 side bordering on the edge of the field. If the area to be destroyed is a narrow strip extending out into the field from either a side or an end of the field, such strip must be at least four normal rows in width to qualify under the above requirements. Areas in rice fields on which rice was completely destroyed in the construction of contour levees (dikes) may be considered as acreage disposed of to adjust to the farm allotment provided the area in each levee (dike) meets the 0.1 A. minimum area requirement.			
Arkansas	0.5 A. Areas planted to rice on which the rice was destroyed in the construction of contour levees (dikes) shall not be eligible for deduction on the initial check of performance.							

California.....	For sugar beets, 20 inches.	0.1 A. Minimum width within the planted area, 14 links from cropline to cropline. Irriga- tion levees with- in the field of an allotment crop shall not be eligible for deduction.	Minimum area of 0.1 A. estab- lished. Minimum width, 14 links from crop- line to cropline. Each area to be deducted must meet the mini- mum require- ments.	Minimum width, 14 links from cropline to cropline. Irriga- tion levees with- in the field of an allotment crop shall not be eligible for deductions. Acre- ages to be de- stroyed shall be limited to two places per field and shall be adjacent or readily accessible to the side of the field. Credit shall be allowed for con- tinuous areas bordered by straight sides only, except that sides of the area which are part of the original field boundary need not be straight and excess acreage of rice to be de- stroyed may be within a check on the boundary of a field. Any ditch installed subsequent to the initial acre- age determination which meets the minimum require- ments may be de- ducted and will not be included in the count of the num- ber of places per field.	0.25 A.	0.25 A.	0.25 A.
Colorado.....							
Connecticut.....							
Delaware.....							
Florida.....	For peanuts, 18 inches; For soy- beans, 24 inches.						

Table of sections affected by State committee determinations pursuant to § 718.15—Continued

State	718.2(n)	718.5(g)		718.5(h)		718.12		
		(1)	(2)	(2)	(3)	(a-2)	(b-1)	(b-2)
Georgia	For cotton, peanuts other than Spanisb, field and commercial peas and beans for hay or seed, soybeans, lima beans, snap beans, cabbage, potatoes, pimientos, 30 inches; for Spanisb peanuts, 26 inches; for onions, 16 inches.					0.1 A.	0.1 A.	0.1 A.
Idaho		0.1 A.	Minimum width, 4 rows.					
Illinois		0.1 A.	Minimum combined area of 0.1 A. established. Minimum width, 2 rows.					
Indiana		0.1 A. for all crops except tobacco and wheat. For wheat, 0.5 A. except that a deduction may be made for any continuous area which lies between the outside boundary of the field and the crop provided it contains 0.1 A. and is at least 5 links in width. Minimum width, 5 links for all close-sown crops except wheat. For wheat, the minimum width is 15 links except as otherwise provided for areas along the outside boundary of a field.	Minimum area for tobacco, 0.01 A. Minimum area for all other crops, 0.1 A. Minimum width, 3 rows for all row crops except tobacco and 15 links for all close-sown crops. Each area must meet the minimum requirements.	0.1 A. Minimum width 2 rows. After one or more areas to be disposed of have been determined, the final area shall be the balance of the excess even though it does not meet the minimum area requirement of 0.1 A.	1.0 A. Minimum width, 2 rows for row crops and 10 links for close-sown crops. After one or more areas to be disposed of have been determined, the final area shall be the balance of the excess even though it does not meet the minimum area requirement of 1.0 A.			

Iowa						The crop must be disposed of along one side or one end of one field. If the excess to be destroyed is greater than the field selected for disposal, the additional amount required may be disposed of along one side or one end of another field. Excess acreage destroyed by causes beyond the control of the producer is not limited to these restrictions if it meets the 0.1 A. minimum.			
Kansas	For sugar beets, 20 inches.	0.1 A.		Minimum area of 0.01 A. established. Each area must meet the minimum requirement.					
Kentucky									
Louisiana		Unplanted rice levees within rice fields are not eligible for deduction.				1.0 A. for all crops except cotton and peanuts. Minimum widths: (1) for cotton and peanuts, 0.3 chain; (2) For all other crops, 0.5 chain. In either (1) or (2) above, the increase in minimum width may be disregarded under the following conditions: (a) In cases where an area along one edge or within a field is destroyed, provided the entire length of the row(s) is destroyed and all of the excess for the farm is destroyed in one area; or (b) where all of the commodity within a field or subdivision is destroyed.			



Table of sections affected by State committee determinations pursuant to § 718.15—Continued

State	718.2(n)	718.5(g)		718.5(h)		718.12	
		(1)	(2)	(2)	(3)	(a-2)	(b-1) (b-2)
Maryland	For tobacco, 30 inches.		Minimum area of 0.03 A. established.				
Michigan	For sugar beets, 28 inches.						
Minnesota	For sugar beets, 20 inches.	0.1 A. for tobacco and sugar beets; 0.25 A. for all other crops. Minimum width, 6 feet.	Minimum combined area of 0.25 A. established. Minimum width, 6 feet.	0.1 A. minimum width, 6 feet.	0.25 A. for all crops except sugar beets. Minimum width, 6 feet.		
Mississippi		0.1 A. Minimum width: Within the planted area, 4 normal rows; around the perimeter of the field, 2 normal rows.	Minimum combined area of 0.1 A. established. Dikes not seeded to rice in rice fields and irrigation dikes in cotton fields shall be deducted the same as terraces except that such dikes must not be less than 0.1 chain in width.		For crops other than cotton, 0.5 A. with a minimum width of 4 normal rows. Areas to be destroyed must also meet the following requirements: (1) when the total acreage to be destroyed is 0.5 A. or less, the entire acreage must be destroyed in one plot; (2) when the acreage to be destroyed is more than 0.5 A., only one plot to be destroyed may be less than 0.5 A. For cotton, 0.5 A. with a minimum width of 4 normal rows except that all of any field or subdivision planted to cotton may be disposed of to bring the farm within the allotment regardless of the number or size of such field or subdivision. The area		

Missouri.....		For all crops except tobacco, 0.1 A. Minimum width around the perimeter of a field, the smaller of 6 links or one normal row.	Minimum area of 0.03 A. established for tobacco; minimum area of 0.1 A. established for all other crops. Each area to be deducted must meet the minimum requirements.	included in cotton irrigation dikes, where the crop was destroyed by the installation of an irrigation system subsequent to planting, may be deducted in adjusting the excess acreage for the farm provided each area deducted meets the minimum area requirement of 0.1 A. and is 0.1 chain in width.	0.1 A. for tobacco.	0.1 A. for tobacco.
Nebraska.....		0.1 A.	Minimum combined area of 0.1 A. established with a minimum 0.03 A. requirement for areas to be combined for deduction.			
New Hampshire.		0.05 A.				
New Mexico.....		Minimum width, 8 feet.	Minimum combined area of 0.03 A. established. Minimum width, 8 feet.			

Table of sections affected by State committee determinations pursuant to § 718.15—Continued

State	718.2(n)	718.5(g)		718.5(h)		718.12	
		(1)	(2)	(2)	(3)	(a-2)	(b-1) (b-2)
New York North Carolina	For peanuts, 18 inches; For corn, 30 inches.		Minimum combined area of 0.03 A. established.	Disposition must be made in a square, rectangular, or trapezoidal pattern with one side or one end of the area parallel with the rows or the field boundary.	Disposition must be made in a square, rectangular, or trapezoidal pattern with one side or one end of the area parallel with the rows or the field boundary.	0.2 A.	0.2 A.
North Dakota	For sugar beets, 18 inches.		Minimum area of 0.03 A. established. Each area must meet the minimum requirements.		1.0 A. for all crops except sugar beets.		
Ohio	For sugar beets and horticultural crops, 28 inches.	0.3 A. for all crops except tobacco and for areas around the perimeter of the field. Minimum width around perimeter of the field, 5 links.	Minimum width, 10 feet.	Minimum widths inside fields, two rows; along field boundaries, one row.	0.3 A. Minimum widths: inside field, 4 rows; along field boundaries, the smaller of one normal row or 5 links.	0.1 A. for tobacco.	0.1 A. for tobacco.
Oklahoma		0.1 A. Minimum width for eligible areas within fields, 4 rows.	Minimum area of 0.1 A. established. Minimum width for eligible areas within fields, 4 rows.		Minimum widths: along field boundaries, one row; within fields, 4 rows.	0.3 A.	0.3 A.
Oregon	For sugar beets, 20 inches.	0.1 A.					
South Dakota	For sugar beets, 22 inches.	0.5 A.	Minimum combined area of 0.5 A. established.		0.5 A.		
Tennessee					Minimum width, 4 rows.		0.1 A. for tobacco.

Texas	For vegetable crops, 18 inches; For sugar beets, 30 inches.	For solid-seeded crops and row crops other than tobacco, any continuous area around the outside boundary of a field or subdivision 0.5 A., with a minimum width of 0.1 chain. For row crops other than tobacco, any continuous area within a field, or subdivision 0.1 A., with a minimum width of 4 rows. For solid-seeded crops, any continuous area within a field or subdivision, 0.1 A., with a minimum width of 0.2 chain. 0.1 A. for sugar beets and wheat; 0.3 A. for all other crops.	Minimum area of 0.1 A. established. Minimum width for row crops, 4 rows. Minimum width for solid-seeded crops, 0.2 chain. Each area to be deducted must meet the minimum requirement.	0.3 A. for all crops except sugar beets and wheat.	In cases involving an acreage of 5.0 A. or less, a refund will be made for errors of at least 10 percent or 0.1 A., whichever is larger.	In cases involving an acreage of 5.0 A. or less, a refund will be made for errors of at least 10 percent or 0.1 A., whichever is larger.	In cases involving an acreage of 5.0 A. or less, a refund will be made for errors of at least 10 percent or 0.1 A., whichever is larger.
Utah	22 inches						
Virginia	For peanuts, 32 inches.						
Washington	For peanuts, sugar beets, and beans, 22 inches.	0.1 A.					0.1 A. for tobacco.
Wisconsin			Minimum width 72 inches for close-sown crops.				0.1 A. for tobacco.
Wyoming	20 inches						

Done at Washington, D.C., this 20th day of May 1959.

CLARENCE D. PALMBY,  
*Acting Administrator, Commodity Stabilization Service.*

[F.R. Doc. 59-4403 ; Filed, May 26, 1959 ; 8:45 a.m.]

Mr. GATHINGS. All we are doing here is asking, that is, you are, for authority to issue new regulations on cotton?

Mr. MANWARING. Which would be the same as for other commodities.

Mr. GATHINGS. But you would not change the regulation?

Mr. MANWARING. No, sir. We do not anticipate changing them now.

Mr. GATHINGS. As the gentleman from Texas, Mr. Poage, has suggested, whether there was any objection to setting it up by law, and it was felt that it was better to provide for the authorization for issuing regulations in respect to cotton and other basic commodities. What about that observation?

Mr. MANWARING. The only objection that I can see to that is that we may not have covered all conditions that could arise. We think we have.

In other words, it just puts you in a straitjacket if you write the regulation into law. And this is the only reason we wrote it in fairly general terms.

Mr. POAGE. I can see why the Department feels that they would rather have this just be provided by regulation. I do not find any fault with that, but if it is reasonable and it seems to me that it is, why should we not prescribe it for all crops?

I am familiar with the practice over many long years, and it might be said that it has been written into the law with relation to cotton.

Mr. MANWARING. The present regulations cover about a page in the Federal Register reprint. But we could, if it is the sense of the committee, that they would like to have it written in, write something that would accomplish what you are talking about.

Mr. HAGEN. Actually, you are attempting to liberalize the treatment of the farmer. Now they have to pay, if they violate the allotment even though the violation is not of the magnitude stated by the Government.

Mr. MANWARING. Yes. We think compared to other commodities it is unfair to require that a cotton farmer pay for the remeasurement, even though the remeasurement shows that we were incorrect, if he is out of compliance. For example, again if he had a 100-acre allotment and he planted 120 acres or 110 acres and we said that it was 110, on our first measurement, and he said, no, that cannot be right, it is not that—I think I am in compliance, and we go back and remeasure and find that he has 102 acres, even though we made an error, we still would not refund to him because we find that he is not in compliance.

Mr. HAGEN. The farmer requests the remeasurement.

Mr. MANWARING. What we are trying to accomplish here is to give him and also other farmers an opportunity to protest our measurement, if they want to, whether it is within the allotment or without the allotment. We want to have the measurement right. We want him satisfied. And if he feels as though he wants to protest, no matter whether out or in compliance, we want to give him the chance to make that protest.



We want to remeasure it at his request. And if we are still right, then he should pay for the work. If we are wrong, we should pay for it, and that is the basis on which we are trying to put all commodities together and not tie them down to compliance with the allotment before they can get the refund.

Mr. GATHINGS. Now, with reference to a 100-acre allotment, and he planted 110, and on your remeasurement you find that he has planted 99, in that sense what would be the situation?

Mr. MANWARING. We would refund.

Mr. GATHINGS. You would refund the cost of the remeasuring?

Mr. MANWARING. Yes, sir.

Mr. GATHINGS. And if it turned out that it was 102 acres, what then would be the answer?

Mr. MANWARING. On cotton he would have to pay. On other commodities he would not have to pay.

Mr. GATHINGS. He would not have to pay on the others?

Mr. MANWARING. We would refund.

Mr. GATHINGS. You want cotton to be treated the same as the other commodities?

Mr. MANWARING. Yes. I think that it should be clear, even though we find that he still has 102 acres, this does not prohibit his going ahead and getting in compliance after he knows what his acreage is. This has nothing to do with that.

Mr. GATHINGS. Yes.

Mr. BELCHER. Is the situation now based on the regulation?

Mr. MANWARING. It is based on the regulation at the present time.

Mr. BELCHER. If we want to write a law for cotton, then we had better write a law for the other commodities, too.

Mr. MANWARING. The language that is provided in the law would apply to all of them, if adopted, including cotton.

Mr. BELCHER. Yes, but the gentleman from Texas suggested that we ought to make this by law, instead of by regulation.

Mr. POAGE. Which is in the event that a resurvey shows that his claims are correct, that he will not pay anything.

Mr. BELCHER. Is there anything else covered except this actual payment for remeasuring in this law?

Mr. MANWARING. Well, for remeasuring and the measurement of adjusted acreage, but it is about the same principle which is involved. And it could be written in, if it is the sense of the committee that it should be written that way. We could write it so it would cover all commodities about the same.

Mr. GATHINGS. Mr. Heimburger.

Mr. HEIMBURGER. I just want to suggest to Mr. Manwaring that it seems to me that what the committee is concerned with here is this matter of the difference in the farmer paying for the resurvey. It seems to me that the one affirmative proposition as stated by Mr. Poage could be put into the legislation without including all of the regulations, and then leave you free by regulation to take care of other situations that are related to it.

Mr. MANWARING. I agree with that.

Mr. GATHINGS. Are there any other questions of Mr. Manwaring?

Mr. POAGE. Will he prepare the language?

Mr. GATHINGS. I understand that he would prepare some suggested language, that you are prepared to do so, which will meet and comply with the suggestions of the committee.

Mr. MANWARING. If that is your desire, we will.

Mr. HAGEN. How did you arrive at this policy of reimbursement of growers of other crops?

Mr. MANWARING. Most of our problem in this is in the area where, in wheat, for example, or peanuts, we have the dual use of the commodity. In wheat we permit a man to overplant in order to protect his land with a cover crop, and then get himself in compliance by about a month prior to the harvest date.

This means that he has to adjust himself into compliance. We may measure that increase ahead of his actually getting in compliance.

On peanuts we permit them either to harvest the peanuts for nuts or hog feed, and so forth.

So there are some adjustments made in his acreage, and he is not always able when he makes this adjustment to come right down to his allotment.

This is the reason we permit a refund, if our measurement was in error.

Mr. GATHINGS. I would like to submit for the record a communication from True D. Morse, Acting Secretary of Agriculture, dated February 3, 1960. Without objection, that will be inserted in the record at this point.

(The letter dated February 3, 1960, follows:)

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., February 23, 1960.

HON. SAM RAYBURN,  
*Speaker, House of Representatives.*

DEAR MR. SPEAKER: The last sentence of section 374(b) of the Agricultural Adjustment Act of 1938, as amended, provides for remeasurement of acreages planted to cotton on a farm as determined by the ASC county office upon request by the farm operator, and requires the farm operator to reimburse the local committee for the expense of such remeasurement if the planted acreage is found to be in excess of the allotted acreage. Although the law does not specifically provide for remeasurement of acreages planted to crops other than cotton, regulations of the Department provide for remeasurement of acreages planted to any crop, where so requested by any producer on the farm, provided that an amount of money equal to the estimated cost of such remeasurement is deposited with the ASC county committee.

In the case of commodities other than cotton the Secretary, by regulations, establishes the rule for refunding deposits to farmers in cases where remeasurements show that a substantial error was made in the previous determination of acreage, notwithstanding the fact that the remeasured acreage may still exceed the final farm allotment. The provision of law referred to above prohibits such procedure in the case of cotton. Even though the proportionate size of the error in the determination of cotton acreage may be as large or even larger than that for other crops on the farm, the Department refunds the deposits for remeasurements of other crops where authorized by regulations, but under present law we are prevented from refunding the deposit for remeasurement of the cotton acreage if the remeasured cotton acreage exceeds the farm allotment. Needless to say it is impossible to explain to farmers the basis for this difference in commodity procedures.

We recommend that section 374(b) of the act be amended by deleting the last sentence thereof. If the act were so amended, the Department could make the refunding of deposits for remeasurements of acreage uniform for all commodities.

Section 374(c) of the act provides that if the acreage determined to be planted to any basic agricultural commodity on the farm is in excess of the farm



acreage allotment, the Secretary shall by appropriate regulations provide for a reasonable time prior to harvest within which such planted acreage may be adjusted to the farm acreage allotment. As pointed out above the regulations of the Department provide for remeasurement of acreages of any crop where so requested by any producer on the farm upon payment of the estimated cost to the ASC county committee; however, it would be desirable to have specific legislative authority for remeasurement charges and specific authority for charging for the measurement of acreage after adjustment. We recommend that in addition to the proposed amendment of section 374(b) of the act by deleting the last sentence thereof, section 374(c) of the act be amended by addition of the following two sentences at the end thereof:

"The Secretary shall by appropriate regulations provide for the remeasurement upon request by the farm operator of the acreage planted to such commodity on the farm and for the measurement of the acreage planted to such commodity on the farm remaining after any adjustment of excess acreage hereunder and shall prescribe the conditions under which the farm operator shall be required to pay the county committee for the expense of remeasurement after the initial measurement or the measurement of adjusted acreage. Unless the requirements for measurement of adjusted acreage are met by the farm operator, the planted acreage determined by the county committee shall be considered the acreage of the commodity on the farm in determining whether the applicable farm allotment has been exceeded."

If this amendment becomes law we estimate that additional deposits of \$20,000 annually for remeasurement of acreages planted to cotton will be refunded.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation and explanatory letters to the Congress for its consideration.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

Mr. GATHING. Does your associate have anything to add?

Please give your name for the record.

Mr. CLIFTON. Thank you, sir. My name is Joseph W. Clifton and I am Deputy Director of the Performance Division. We are responsible for drafting instructions and regulations for carrying out the performance operations.

I would like to say, that we looked to the remeasurement that we talked about as a safeguard to the farmer.

We have about  $3\frac{1}{2}$  million determinations to make annually, and employ many people to do that.

The remeasurement provision that we have is a safeguard to the farmer in that he can come in at any time he thinks that his acreage is wrong, and make his deposit. In other words, he is betting that we are wrong. We will go out, and if it is found to be wrong we will refund the money.

We like to think of it as a safeguard, a uniform safeguard across the board, so far as all commodities are concerned.

In Texas, Arkansas, New Mexico, and other States where we have cotton and wheat and other commodities, we would like to handle all of them the same way. That is all we are striving to do in this proposed legislation.

Mr. GATHINGS. In any event when they ask for a remeasurement they must put up the money for that?

Mr. CLIFTON. Yes.

Mr. GATHINGS. To the question of their receiving a refund, it is whether they are right or the Government is right?

Mr. CLIFTON. We only want to treat the cotton farmer the same way we treat other people.

Mr. MANWARING. May I add one more thing apropos to what Congressman Hagen and I were talking about a moment ago? One other thing should be mentioned; that is, that all commodities have a provision for adjustment into compliance. This is why we want to put cotton in with the others. They can also have that same right, but there is not the same inducement to overplant cotton ahead of compliance as there is in the other commodities.

Mr. GATHINGS. That would have cotton being in the same place in the law?

Mr. MANWARING. I do not know whether that was the reason. I suspect that somebody felt as though it was possibly a provision to protect the farmer. And it was put in for cotton and it was just left out of the others, perhaps, by inadvertence.

Mr. HAGEN. You are then proposing to liberalize the treatment of the cottongrowers?

Mr. MANWARING. We are liberalizing if we change to what we do with other commodities—if we do what we do now on cotton. That is true. But we think it is much better than the way we had it before. It does give uniformity.

Mr. GATHINGS. If there are no further questions, we thank you very much.

Mr. MANWARING. Thank you.

SECTION 2—H.R. 11646  
COTTON CLASSIFICATION, STATISTICS, AND  
PENALTIES

Mr. GATHINGS. We turn now to H.R. 11646 by Mr. Cooley. That bill will be incorporated into the record at this point.  
(H.R. 11646 follows:)

[H.R. 11646, 86th Cong., 2d sess.]

A BILL To amend the Act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Act entitled "An Act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton", approved March 3, 1927, as amended (44 Stat. 1372; 50 Stat. 62; 55 Stat. 131) is amended by inserting between section 3c and section 3d the following new sections:

"SEC. 3c-1. It shall be unlawful—

"(a) for any person sampling cotton for classification under this Act knowingly to sample cotton improperly, or to identify cotton samples improperly, or to accept money or other consideration, directly or indirectly, for any neglect or improper performance of duty as a sampler;

"(b) for any person to influence improperly or to attempt to influence improperly or to forcibly assault, resist, impede, or interfere with any sampler in the taking of samples for classification under this Act;

"(c) for any person to alter, or cause to be altered, any sample taken for classification under this Act by any means such as trimming, peeling, or dressing the sample, or by removing any leaf, trash, dust, or other material from the sample;

"(d) for any person knowingly to cause, or attempt to cause, the issuance of a false or misleading certificate or memorandum of classification under this Act by deceptive baling, handling, or sampling of cotton, or by any other means, or by submitting samples of such cotton for classification knowing that the cotton has been so baled, handled, or sampled;

"(e) for any person knowingly to submit more than one sample from the same bale of cotton for classification under this Act, except a second sample submitted for review classification;

"(f) for any person knowingly to operate or adjust a mechanical cotton sampler in such a manner that a representative sample is not drawn from each bale; and

"(g) for any person knowingly to violate any regulation of the Secretary of Agriculture relating to the sampling of cotton made pursuant to section 473c of this Act.

"SEC. 3c-2. Any person violating any provision of section 3c-1 of this Act shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000, or imprisoned not more than one year, or both.

"SEC. 3c-3. In construing and enforcing the provisions of this Act, the act, omission, or failure of any agent, officer, or other person acting for or employed by an association, partnership, corporation, or firm, within the scope of his employment or office, shall be deemed to be the act, omission, or failure of the association, partnership, corporation, or firm, as well as that of the person."

Mr. GATHINGS. Our first witness is Mr. Whitaker, Deputy Director of the Cotton Division.

Mr. WHITAKER. This is Mr. Krause, who is with me, as well as Mr. Koenig.



Mr. GATHINGS. We are pleased to have you here.

Mr. KRAUSE. I may be of some assistance in connection with some questions as to their legal aspects.

**STATEMENT OF RODNEY WHITAKER, DEPUTY DIRECTOR, COTTON DIVISION, AGRICULTURAL MARKETING SERVICE; ACCOMPANIED BY J. C. KRAUSE, DIRECTOR OF MARKETING DIVISION, OFFICE OF GENERAL COUNSEL; AND NATHAN KOENIG, SPECIAL ASSISTANT TO THE ADMINISTRATOR, AMS, U.S. DEPARTMENT OF AGRICULTURE**

Mr. WHITAKER. Mr. Chairman, I have a prepared statement. I think you all have copies of it.

This bill would place a penalty in the Smith-Doxey Act for irregularities in sampling.

When the Smith-Doxey Act was passed it was, apparently, intended for the service of the farmer. Since that time the service has grown, and we are now classifying about 95 percent of the crop. And most of the cotton that enters the Government loan is classified under the Smith-Doxey Act. A great deal of the cotton is being sold on the basis of this classification.

In order to get samples it is the responsibility of the local group of farmers to obtain a bonded sampler, which is usually the ginner with a \$1,000 bond, but there is no provision in the act to penalize irregularities on the part of these samplers.

I believe that the American Cotton Shipper's Association and most of the affiliated associations passed resolutions urging that something be done to improve the sampling. They have bought a great deal of cotton on the basis of this classification. We believe that these penalty provisions would improve the sampling.

If you have any questions, I will be glad to answer them.

Mr. GATHINGS. Did you want to have your prepared statement made a part of the record?

Mr. WHITAKER. Yes.

Mr. GATHINGS. Without objection, it may be inserted at this point. (The prepared statement of Rodney Whitaker follows:)

**U.S. DEPARTMENT OF AGRICULTURE STATEMENT ON H.R. 11646**

(By Rodney Whitaker, Acting Director, Cotton Division, AMS; accompanied by J. C. Krause, Director of Marketing Division, Office of General Counsel; and Nathan Koenig, Special Assistant to the Administrator)

The Smith-Doxey amendment to the Cotton Statistics and Estimates Act directs the Secretary of Agriculture to furnish a free cotton classification and market news service to groups of farmers organized to promote the improvement of cotton. Under this law it is the responsibility of each group of farmers to make arrangements for sampling and shipping of samples to Department classing offices for classification. In the early years of the service there was no particular motive for improper sampling or handling of samples since the classification results were used principally for the farmer's information in marketing his cotton.

As the service has grown reliance upon the integrity of samples by buyers has increased and there have been occasional difficulties with sampling irregularities. The first step taken to prevent these malpractices in sampling was to increase inspection and supervision. Next, samplers at gins were required to purchase faithful performance bonds of \$1,000.

Now that the classification of cotton under the service includes about 95 percent of the crop and the number of sampling agents and difficulties of supervision and inspection have increased accordingly, it is necessary to have some means of enforcement of regulations against these malpractices by a very small proportion of samplers. This would be accomplished by the passage of H.R. 11646. We believe that this legislation which provides specific penalties for intentional missampling of bales of cotton will be a substantial deterrent to the occasional sampler who is tempted to sample improperly.

Virtually all of the cotton placed in the Commodity Credit Corporation price support programs is classed under the Smith-Doxey program and for the protection of the Government it is essential that this cotton be properly sampled and that improper sampling be penalized. Much of the cotton taken in under the 1959 purchase program was sold to merchants on the basis of sampling and classification under the Smith-Doxey program. Resolutions from the Arkansas-Missouri Trade Association, Texas Cotton Association, Atlantic Association Western Cotton Shippers Association, and the American Cotton Shippers Association passed this year emphasize the importance these organizations doing business on the basis of classifications under the Smith-Doxey Act attach to proper sampling.

Mr. WHITAKER. I would be glad to read it, if you wish me to do so.

Mr. GATHINGS. I do not think that will be necessary.

Mr. WHITAKER. I think that I have covered the gist of it.

Mr. POAGE. This probably does not have a great deal to do with this bill, but I think that this bill is an example of what we are continually going through with regard to cotton sampling and grading throughout the country. Is it your opinion that we should continue indefinitely the present system of sampling and grading of cotton as we know it today?

Mr. WHITAKER. You mean on the basis of the present standards?

Mr. POAGE. I mean on the basis of the 500 and some-odd different possible combinations of grades and staples. Are we going to keep making grading more and more complicated or are we going to go back, like we have with all of our other commodities, and make it simply a representation of the general quality of the commodity that the party is buying? Do not most buyers buy what they want, anyhow, theoretically?

Mr. WHITAKER. I believe, Mr. Poage, that a good part of the cotton, the Strict Low Middling and better—and that takes in the bulk of the crops—is bought on grade description.

The lower grades are, certainly, sold by types, as you say, but getting back to your question, do I think that we will continue this procedure, let me say that I am hopeful that, eventually, we will get something better, but I do not see anything in the immediate future to take care of it.

Mr. POAGE. I think it is very important to the cotton industry. I think that we are about to make ourselves completely ridiculous in our methods of grading. I do not question your ability as a cotton grader, but I know that you cannot take 100 samples here and go back and class each sample as you called it the first time.

Mr. WHITAKER. That is correct.

Mr. POAGE. I do not think that there is any other man who can do it. We have such in-exact standards. Cotton grading is not an exact science and it may never be. We often create bad feelings and resentment. One-half of the trouble in the cotton program is because our farmers cannot understand the grades they are getting. Whether they are right or whether they are wrong is not the basic



question. When people cannot understand a thing it simply builds up a tremendous amount of ill feeling and much talk, and complications, that the farmer cannot understand. He is always going to be dissatisfied with our present cotton grading system.

Mr. WHITAKER. Do you want me to comment on that?

Mr. POAGE. Yes, I want you to do so, I would like to have your comments on that.

Mr. WHITAKER. I am hopeful that, eventually, we will get some means of selling on the basis of specifications for objective tests, but I do not see much hope for it in the immediate future.

I will say this about fiber tests—we make those, too—probably as many as anybody in the country. We have the same kind of problems with the physical measurements that we have with the classing. Our studies show that if you try to do the same thing with machines that cotton classers try to do—to get the color and the trash and the length of the staple—the machines that we have at the present time get very little, if any closer to the spinning quality than the classers do, and it costs five times as much.

Then we have supplementary tests. We have the strength test which is certainly important. And we have a test for fineness which is also important.

The discouraging thing in the picture is that it is difficult to find anybody who is paying any premium for strength or fineness. You see some heavy discounts on small portions of the crop that we call wasty cotton. You see some fairly heavy discounts on immature or low micronaire cotton.

I have asked many merchants about that, and have not found many who have been able to sell high strength cotton at a premium. An exception may be California cotton this year. It has been bringing a premium in 1959-60. It is stronger than most other cottons. I do not know whether the strength of that cotton accounts for the premium, but that is about the only evidence I have seen in cotton where anything is being paid for the strength.

For that reason it makes me rather pessimistic about making use of these mechanical measurements, so that they will mean anything to the farmers.

A lot of the so-called "objective measurements" we now have are not objective. There is a lot of human element in them, too.

I think that we need to get truly objective measurements. We need to get measurements which describe cotton in terms of specific quality factors that mean something to the mills, but we are not there yet, by a long ways.

Mr. POAGE. What do you think about mechanical sampling? I know that you have a provision in the bill. What has been your experience? I know that 10 or 12 years ago I went to Stoneville and thought that they had a machine that was ready to move right out and sample cotton at the gin, which would eliminate many of these sharp practices which you find.

Do you find that you can do it with mechanical sampling?

Mr. WHITAKER. We are in trouble on that, too, Mr. Poage. Mechanical samplers will work, but the trouble is that you cannot install them in the gins and forget all about them and get a representative sample.

We have done some inspecting of all kinds of sampling. As soon as we started inspecting mechanical samplers we found that they were not sampling all the way through the bale. Our studies, and commonsense, for that matter, tells us that the most likely place to find off-quality cotton in the bale is the bottom side. That is the first cotton that goes into the press. The cotton in the top side of the bale may also vary in quality from the bulk of the bale because sometimes it comes from the next load or trailer.

So the two sides of the bale are the most likely places for the quality to differ.

Automatic samplers do not always take samples from these sides of the bale. In fact, there have been articles published in the trade journals saying that the automatic sampler would eliminate two-sided bales.

One of the samplers in particular is having trouble getting a sample close to the top side of a bale, especially on the big bales. They are certainly not foolproof.

If somebody wants to tamper with them he can certainly do it.

However, we have hopes there, too.

The difficulty that a buyer has with a mechanical sample is that he can buy one and if the sampler is working right he gets a representative sample of the bale, but the trouble is that when he starts to sell that bale of cotton he has to sell against the sample cut from the sides. If there is a difference in the two sides, he is in difficulty.

Mr. POAGE. I see some of our cotton trade representatives are here in the room. I have never been able to understand why in the long run that the law of averages would not take care of most of the problems of samples, if you had mechanical samplers working properly. I can understand that somebody might tamper with the machine. You are not then going to get a true representation of the bale of cotton. I concede that.

Assuming that we get a true representation in the way of a sample, I have never understood why, if that one sample was all we ever got and all the trade had to be on that one sample, why would that not take care of it?

If the law of averages there does take care of it for wheat, why could it not do it in cotton?

Mr. WHITAKER. We are perfectly willing for the cotton to be sold all the way through on the first sample. Whenever someone takes additional samples from a lot of cotton and starts culling it, the man who gets the culled portion of the cotton is in trouble. He does not get the average. One gets the low part, and the other gets the high part.

Mr. POAGE. Of course, that is true. And that is poor sampling again. I do not know just how it would work, but I know that in many countries in this world they do not cut their cotton up. They put the bagging around it, and the bagging stays around it until it gets to the mill. Of course, they do not get the fineness that the American mills get. But I have seen with my own eyes that in certain foreign mills they did not ever take a sample. They do not do anything except to determine the type and the kind of cotton. They do not want to see it. They buy it and open it, and they do not make any tests or do anything.



I do not want to say that I want to see us adopt that practice, but it is done—I know it can be done. I have seen a lot of cotton, without the bagging all cut to pieces.

Mr. WHITAKER. I will say that we shipped a lot of cotton on lend-lease based on the Smith-Doxey class and we got very few complaints about the quality of the cotton from the European mills. That is the only experience of this kind I know of.

Mr. POAGE. I am just interested in the general subject, which has nothing to do with this bill.

Mr. WHITAKER. Of course, we are, too. We would like to see the system improved. I wish that we could cut down on the number of grades and the number of samplings.

Mr. POAGE. I realize that you are going to tell me that you did not want to class out those light spots.

Mr. WHITAKER. I am going back before that time. I am talking about when we started classing—before the question of differences for light spots came into the picture. Of course, the reason we were pressured into classing was that there was a price distinction being made by the trade.

Mr. POAGE. I recognize the problem. However, are we in Government not encouraging, instead of trying to improve the classes of the trade—are we not just inviting them to become supercilious in their demand?

Mr. WHITAKER. They are not very pleased with us most of the time. Everybody is unhappy with us much of the time including the farmers.

Mr. JONES. I have a couple of questions.

I think that I know the reason why, but as to this section E at the bottom of page 2, where it says that—

For any person knowingly to submit more than one sample from the same bale of cotton for classification under this act, except a second sample submitted for review classification—

I imagine that the reason that is in there is to prevent anybody from presenting two samples from one bale and maybe representing that it came from two different bales. Is that the purpose of that?

What would be the reason that you could not permit two samples from the same bale, if it was identified as being from the same bale?

Mr. WHITAKER. That section is designed to cover the situation where a sample is sent in and the farmer is dissatisfied with the classification. He is entitled to only one free classification under the Smith-Doxey Act and instead of asking for a review, which he has to pay for, he submits another sample.

If the sampler wants to be a little irregular he can doctor up a section of the sample, or throw away part of it.

Mr. JONES. Do you cover that in another section?

Mr. WHITAKER. Yes.

And then there is this question about the variation in quality within the bale, and the variation in the classing. If he has three classes, he picks the best; he does not get the average that Mr. Poage is talking about.

Mr. JONES. Are you putting this in here just as a protection against the classing service, so that you will not be embarrassed by having two samples coming in from the same bale and, possibly, getting two different classes from the same bale?

MR. WHITAKER. Not particularly. We think that you will get a fairer class for all concerned if you get one class rather than sending in two or more samples and picking the best one.

MR. JONES. Let me ask you one other question.

Where in the law does it provide for a penalty—is there not some protection against the person willfully doctoring or sending in a sample that is not representative of the bale, whether it is pulled from another bale or from that same bale—do you not have a penalty in the law for that?

MR. WHITAKER. There is nothing in the act at this time that relates particularly to this kind of irregular sampling.

MR. JONES. Is there not some general law which would cover fraud in this type of classing?

MR. WHITAKER. I think Mr. Krause should answer that.

MR. KRAUSE. The only legislation that exists in this field are the general statutes dealing with fraud. They are not particularly suitable, because this presents some very specialized problems. In other words, in other statutes dealing with the classing or grading of commodities, where we have those, we have specific criminal sanctions.

The purpose here is to provide similar specific sanctions for the specific problem that is here presented.

MR. JONES. Thank you very much.

MR. POAGE. As I understand it, the man sending in the second sample under the Smith-Doxey Act, of course, can do all of the sampling he wants, but it only means that he cannot have that bale classed under the Smith-Doxey Act except for one sample. Is that not all that it means?

MR. WHITAKER. Yes.

MR. POAGE. He cannot send in several samples?

MR. WHITAKER. No.

MR. POAGE. Why can we not confine it and keep anybody from cutting a bale of cotton and put a stop to some of that? I know that the trade may insist that this is impractical, but why could we not put a stop to taking more than one sample from a bale of cotton?

MR. WHITAKER. So far as I know, you could.

MR. POAGE. Would it not be about the most effective way of stopping the abuses which have grown up in cutting samples?

MR. WHITAKER. Yes.

MR. POAGE. Why is it fair to encourage having everybody take another sample from a bale? What would you say if we wrote in here a provision forbidding the taking of more than one sample from a bale of cotton?

MR. WHITAKER. We would follow the law.

MR. POAGE. I know that you would.

MR. WHITAKER. Of course, if we have some form of mechanical sampling, it might be better where you have two or three samples taken at one time, and to save a couple of them. Then you would have extra samples if the classer makes a mistake or something happens on the identification, or you have a clerical error.

And then you have the situation in which a bale stays around for a year or two and we know that it is turning yellow. You need another sample there. And even with the mechanical sampler, if you stored the extra sample under one set of conditions, and the bale under another set of conditions, the sample may not be representative.



I saw an arbitration in Houston on that very point. The cotton was sold on actual samples, and they did not match the bales any more.

Mr. HEIMBURGER. May I ask one question, please?

Mr. GATHINGS. Yes.

Mr. HEIMBURGER. Mr. Whitaker, I notice that you say that you folks classify 95 percent. Who does the other 5 percent?

Mr. WHITAKER. That 95 percent is classed for the farmer.

Mr. HEIMBURGER. Then you classify virtually all of the cotton placed in the Commodity Credit Corporation under the price support programs? Is not some of this classified by the marketing service?

Mr. WHITAKER. Yes, sir. There is some cotton that is classified on a fee basis for the loan. A farmer who does not have his cotton classed under the Smith-Doxey program may obtain this classification. That 95 percent is under the Smith-Doxey Act.

Mr. HAGEN. Is the 5 percent represented by the Greenwood, Miss., Co-op classification?

Mr. WHITAKER. The agreement which we have with the Staple Cotton Cooperative Association is for the Smith-Doxey class. I am talking about cotton that is not classed under the Smith-Doxey Act. Some of it is not.

Mr. JONES of Missouri. About what is the cost for a ginner to put in the machinery necessary for this mechanical sampling, do you know?

Mr. WHITAKER. I am not sure. I think they sell for about \$5,000.

Mr. JONES of Missouri. How generally is it used now?

Mr. WHITAKER. I am not sure of the number. There are more than 150 in operation. There are two places where they use it quite a lot—in California and in the high plains of Texas.

Mr. GATHINGS. You come in now and are asking for this provision.

We had the "A" and "B" program in 1959 and will have it in 1960. Why did you not ask for this legislation 5 years ago?

Mr. WHITAKER. We probably should have had it. Nothing in particular has happened right now.

It has been a gradual thing. More and more of the cotton is being classed. The classification is also being used more, not only for Government programs, but for sales purposes. Sampling becomes more and more important as time goes on.

Mr. GATHINGS. How many more men would be required to follow through here with this provision of the bill?

Mr. WHITAKER. I would like to have Mr. Krause correct me on this if necessary but I do not think that it would take a single person more.

I think the only thing that this bill will do in those rare instances of sampling irregularities, and I anticipate that there will be very few of them, is to put the Department in a better position to take care of them.

Mr. KRAUSE. Of course, the U.S. attorneys around the country, the Department of Justice, essentially, would be charged with the enforcement of this type of bill.

We in the Department would, of course, have some responsibility to investigate and to refer the matter to the U.S. attorneys.

It is very difficult to tell just how much that would cost, because we have a staff that is engaged in similar activities under other statutes.

I would think that the staff, probably, could handle this along with that other work.

Mr. GATHINGS. The district attorneys are not going to move until they have in their hands concrete evidence which is placed there by the Department of Agriculture.

Mr. KRAUSE. That is quite right.

Mr. WHITAKER. Would you like for me to show you an example—a sample of cotton of the sort of thing that we are talking about?

Mr. GATHINGS. Yes.

Mr. WHITAKER. May I come up and present it to you?

Mr. KRAUSE. I did want to complete what I was saying. In any statute of this sort it is very difficult to anticipate just how much it would cost. I would say it probably would not be very substantial at the outset, and it might be handled by our present staff.

(Discussion off the record.)

(Showing of samples.)

Mr. GATHINGS. I wish you would explain for the record just what you told us here, because I am sure that the reporter did not get that.

Would you explain just what you told us with respect to that sample?

Mr. WHITAKER. This is a sample from a bale of cotton that was received from a mill through a merchant. The merchant bought it. We classed it on the two outside pieces, which are Strict Midling. The inside of the bale, the inside three-quarters of the bale, was below grade.

Mr. GATHINGS. By below grade you mean what?

Mr. WHITAKER. A \$50 or \$60 difference.

Mr. GATHINGS. You will not make a loan on that kind?

Mr. WHITAKER. No, no. There would be no loan on it. Any cotton that is what we ordinarily call "BG"—below grade—is not eligible for price support. And this is certainly BG.

Mr. GATHINGS. Or wasty cotton?

Mr. WHITAKER. Wasty is a little different.

Mr. GATHINGS. Explain the difference between "wasty" and "BG".

Mr. WHITAKER. Wasty cotton is defective in staple. It is the very dark color that is largely involved in this sample here.

Wasty cotton is cotton that is immature and is weak or irregular in staple.

Wasty cotton usually has a low micronaire reading. On spinning tests it shows about 50 percent more mill waste, and the yarns are below grades of yarn. But the strength of the yarn is fairly good.

Usually the micronaire reading is 2.6 or lower.

Mr. GATHINGS. And for any violation under the various subsections of this proposal, it states—

shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000, or imprisoned not more than 1 year, or both.

A misdemeanor is sufficient, do you think?

Mr. WHITAKER. Yes, sir, I do.

Mr. GATHINGS. If the man should be fined \$100 or \$500, he may not be given a sentence of days, or he may get a greater fine, depending upon the circumstances?

Mr. WHITAKER. Yes.



Mr. GATHINGS. Are there any questions? If not, thank you very much.

Mr. WHITAKER. Thank you.

Mr. KRAUSE. Thank you.

Mr. GATHINGS. At this point, we will incorporate into the record the report of the Department, dated March 21, 1960.

Do we have a copy of that?

Mr. HELMBURGER. Yes, we do.

(The report, dated March 21, 1960, follows:)

U.S. DEPARTMENT OF AGRICULTURE,  
Washington, D.C., March 21, 1960.

The SPEAKER,  
*House of Representatives.*

DEAR MR. SPEAKER: There is transmitted herewith, for consideration of the Congress, proposed legislation amending the Cotton Statistics and Estimates Act.

The act, entitled "An Act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton," 1927 (44 Stat. 1372) (known as the Cotton Statistics and Estimates Act), was amended by the act entitled "An Act authorizing the Secretary of Agriculture to provide for the classification of cotton, to furnish information on market supply, demand, location and condition and market price for cotton and for other purposes," approved April 13, 1937 (50 Stat. 62) (known as the Smith-Doxey amendment).

The Smith-Doxey amendment provides a free cotton classification and market news service to groups of farmers organized to promote the improvement of cotton. More than 90 percent of total U.S. ginnings are classed each year for farmers under this program. The cotton classification memorandums issued to farmers are used in marketing a large volume of the cotton produced each year. These memorandums are also acceptable as evidence of the quality of the cotton when farmers place their cotton under Commodity Credit Corporation price support loans.

To help insure an accurate classification of bales of cotton and to maintain the integrity of the classing service, it is absolutely necessary that samples of cotton submitted for classification be drawn, handled, and submitted in accordance with the Department regulations governing the program. Samples are drawn from the bales by bonded samplers at gins or by employees of public warehouses. These samplers are visited during periodic sampling inspections by Cotton Division employees of the Department. Violation of sampling regulations and irregularities are discovered from time to time through these inspections and by other means. Despite the flagrant nature of some of these violations and irregularities, the Smith-Doxey amendment contains no penalty provision.

In view of the tremendous volume of cotton affected by the sampling and classing operations, there is a definite need for a criminal penalty provision applicable to violations and irregularities with reference to sampling of cotton for classification in connection with the Smith-Doxey program.

The proposed bill, a draft of which is attached, contains three sections: (1) a section defining sampling offenses; (2) an appropriate penalty provision, and (3) a provision construing the act, omission, or failure of any agent, etc., as the act, etc., of the principal. Inasmuch as the Smith-Doxey amendment of the Cotton Statistics and Estimates Act comprises sections 3a, 3b, and 3c of the act, and since section 3d embodies an amendment unrelated to the Smith-Doxey program, it is thought proper to number the proposed amendments, 3c-1, 3c-2, and 3c-3, respectively.

It is believed that the enactment of the proposed legislation will not entail any substantial additional cost.

The Bureau of the Budget advises that there is no objection to the submission of this proposed legislation to the Congress for its consideration.

A similar letter is being sent to the President of the Senate.

Sincerely yours,

E. T. BENSON, *Secretary.*

A BILL To amend the Act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Act entitled "An Act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton," approved March 3, 1927, as amended (44 Stat. 1372; 50 Stat. 62; 55 Stat. 131) is amended by inserting between section 3c and section 3d the following new sections:

"SEC. 3c-1. It shall be unlawful—

"(a) For any person sampling cotton for classification under this Act knowingly to sample cotton improperly, or to identify cotton samples improperly, or to accept money or other consideration, directly or indirectly, for any neglect or improper performance of duty as a sampler.

"(b) For any person to influence improperly or to attempt to influence improperly or to forcibly assault, resist, impede, or interfere with any sampler in the taking of samples for classification under this Act.

"(c) For any person to alter, or cause to be altered, any sample taken for classification under this Act by any means such as trimming, peeling, or dressing the sample, or by removing any leaf, trash, dust, or other material from the sample.

"(d) For any person knowingly to cause, or attempt to cause, the issuance of a false or misleading certificate or memorandum of classification under this Act by deceptive baling, handling, or sampling of cotton, or by any other means, or by submitting samples of such cotton for classification knowing that the cotton has been so baled, handled, or sampled.

"(e) For any person knowingly to submit more than one sample from the same bale of cotton for classification under this Act, except a second sample submitted for review classification.

"(f) For any person knowingly to operate or adjust a mechanical cotton sampler in such a manner that a representative sample is not drawn from each bale.

"(g) For any person knowingly to violate any regulation of the Secretary of Agriculture relating to the sampling of cotton made pursuant to section 473c of this Act.

"SEC. 3c-2. Any person violating any provision of section 3c-1 of this Act shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000, or imprisoned not more than one year, or both.

"SEC. 3c-3. In construing and enforcing the provisions of this Act, the act, omission, or failure of any agent, officer, or other person acting for or employed by an association, partnership, corporation, or firm, within the scope of his employment or office, shall be deemed to be the act, omission, or failure of the association, partnership, corporation, or firm, as well as that of the person."

### SECTION 3—H.R. 11144 AND H.R. 12115

#### EXTRA LONG STAPLE COTTON MARKETING QUOTAS

Mr. GATHINGS. We next have H.R. 11144 and H.R. 12115, which will be made a part of the record at this point.

(H.R. 11144 and H.R. 12115 are as follows:)

[H.R. 11144, 86th Cong., 2d sess.]

A BILL To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 347 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the provision in the last sentence to read as follows:

*“Provided, however*, That the national marketing quota for the 1960 and 1961 crops of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton.”

[H.R. 12115, 86th Cong., 2d sess.]

A BILL To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 347 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the provision in the last sentence to read as follows: *“Provided, however*, That the national marketing quota for 1960 and 1961 crops of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton.”

Mr. GATHINGS. I also desire to include in the record at this point the report from the Department dated May 11, 1960, addressed to the chairman, Mr. Cooley.

(The letter dated May 11, 1960, follows:)

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., May 11, 1960.

HON. HAROLD D. COOLEY,  
Chairman, Committee on Agriculture,  
House of Representatives.

DEAR CONGRESSMAN COOLEY: This is in reply to your request of March 17, 1960, for a report on H.R. 11144, a bill “to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.”

The Department favors the enactment of this bill.

The bill changes the proviso in the last sentence of section 347 (b) of the Agricultural Adjustment Act of 1938, as amended, to provide that the 1961 national marketing quota for extra long staple cotton shall not be less than 90 percent of the 1959 national marketing quota for such cotton. This would establish the same minimum national quota for the 1961 crop of such cotton as that established for the 1960 crop under Public Law 86-341.

The 1959 national marketing quota for extra long staple cotton was 73,989 bales. The 1960 national marketing quota for this cotton was 66,590 bales. If this bill is approved the 1961 national marketing quota would be 66,590 bales. Under present law the 1961 national marketing quota for such cotton would probably be around 36,000 bales. Such an abrupt reduction would have a very adverse effect on the producers of this cotton.



On August 1, 1959, the Commodity Credit Corporation owned 71,328 bales of extra long staple cotton and had an additional 40,709 bales of stockpile cotton available for sale, making a total of 112,037 bales. On March 11, 1960, the Commodity Credit Corporation owned 54,209 bales of this cotton, had made loans on 28,442 bales of 1959 crop cotton, and had 34,407 bales of stockpile cotton available for sale, making a total of 117,058 bales. Thus, there has been only a small increase in CCC stocks during the current marketing year. By August 1, 1960, CCC stocks of this cotton are expected to be as low or lower than a year earlier.

Our domestic producers of extra long staple cotton have voluntarily accepted a lower price support level than producers of most other price-supported commodities. In addition to the 10-percent reduction in quotas from 1959 to 1960, under present law it appears that domestic producers of extra long staple cotton would be required to reduce their operations about 45 percent from 1960 to 1961. We do not feel that our domestic producers should be required to make such a drastic reduction.

Representatives of consuming mills and the producers of extra long staple cotton are jointly sponsoring a thorough study of price levels at which such cotton can be made competitive and other matters relating to development of a sound program for such cotton. They have employed an independent economist to make this study and it is understood that his report will be completed by about September 1, 1960.

Extra long staple cotton grown in this country is currently more nearly competitive pricewise with foreign competitive growths than was the case last year. Therefore, in view of the study now being made and the fact that stocks of this cotton available for sale by CCC on August 1, 1960, are expected to be as low or lower than on August 1, 1959, it is felt that this bill proposes a satisfactory solution for the 1961 crop.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE,  
*Acting Secretary.*

Mr. GATHINGS. Our first witness is Mr. F. Marion Rhodes, Director of the Cotton Division of the U.S. Department of Agriculture.

**STATEMENT OF F. MARION RHODES, DIRECTOR, COTTON DIVISION,  
ACCOMPANIED BY JOE A. MOSS, DEPUTY DIRECTOR, CSS, U.S.  
DEPARTMENT OF AGRICULTURE**

Mr. RHODES. Mr. Chairman and members of the committee, the Department does not have a prepared statement on this bill. The bill provides that the 1961 national marketing quota for extra long staple cotton shall not be less than 90 percent of the 1959 national marketing quota for such cotton. This would establish the same minimum national quota for the 1961 crop as we had for the 1960 crop.

If we go back a little bit, the 1959 national marketing quota for extra long staple cotton was nearly 74,000 bales. The 1960 national marketing quota for this type of cotton was reduced to about 66,500 bales.

If this bill should be enacted by Congress we would, in 1961, have a quota of about 66,500 bales again.

Mr. HAGEN. How much is this bringing in each year?

Mr. RHODES. We are still bringing in the maximum amount each year of this particular type of cotton which is about 85,000 or 86,000 bales. If no action is taken by Congress and we are compelled to use the existing legislation it would appear at this stage of the game that we would have to reduce the national marketing quota for 1961 down to about 36,000 bales which you can see would be a very, very drastic reduction.



Mr. POAGE. Do we not have a treaty with Peru and Egypt that somehow allows them to bring in that amount of cotton?

Mr. RHODES. The United States has import quotas established for a total of about 95,000 bales of extra long staple cotton. A part of that is set aside for cotton shorter than  $1\frac{3}{8}$ -inches and another part for tanguis cotton, produced only in Peru, which is not really competitive with our cotton in this country. This set-aside reduces the total imports down to about 82,500 bales of the type of cotton which competes with our extra long staple grown in Arizona—

Mr. POAGE. Does that all come from Egypt?

Mr. RHODES. Most of it, the Sudan get a part of it. It is based on the total quota. Whoever gets here first gets their part of it, but as a rule the bulk is Egyptian cotton.

Mr. POAGE. What justification is there for reducing our own production without putting a proportionate reduction on these importations?

Mr. RHODES. I think that you will remember a little over a year ago the the Department of Agriculture requested a hearing before the Tariff Commission with a view of getting this import quota reduced. Such a hearing was held, I believe, in April of 1959. The Tariff Commission recommended to the President that no relief be granted, and that was approved by the President, so that is the last attempt that was made to try to get a reduction in the import quota.

Our question here now is whether we are going to have to reduce our acreage in the States that grow this cotton.

Mr. POAGE. I understand that. It seems to me that something ought to have been done. I know that the Department of Agriculture could not do it, but it seems to me that the President and the Tariff Commission simply did not give it the consideration that it should have had.

Mr. RHODES. I would like to point out that we are recommending approval of this proposal, and that is based, primarily, upon the fact, I would say, that the Commodity Credit Corporation has approximately the same amount of cotton now that we had on August 1, 1959; in other words, even though you did permit this increase in 1960, it looks like we are going to end up just as well as we were a year before.

Mr. POAGE. You will have the same amount of extra long staple cotton?

Mr. RHODES. That is right. On August 1, 1959, we owned about 71,000 bales of extra long staple cotton, and there were about 40,000 bales of stockpile cotton available, a total of about 112,000 in Commodity Credit Corporation's inventory.

We only own about 51,000 bales. There are about 26,000 bales under loan; and there are about 34,000 bales stockpiled, which gives us 112,600 bales. In other words, we have held our own, despite the fact that in 1960 special legislation held the national quota at 90 percent of the 1959 quota. We are just recommending that you give the same relief in 1961 that you gave in 1960.

Mr. GATHINGS. Would you give us the acreage in extra long staple cotton as of the Korean days, and do you have it by years, too?

Mr. RHODES. In the war years?

Mr. GATHINGS. Let us start back in 1952, how many acres of long staple cotton did we have then?

Mr. RHODES. Mr. Chairman, I will have to furnish that for the record. I have it available in my office, but I do not think that I have it with me.

Mr. GATHINGS. If you had those figures, it might be well to put them in the record.

Mr. RHODES. We can supply it for the record. I find them here now, Mr. Chairman.

Starting back in 1950, the acreage in cultivation on July 1 was 104,600; in 1951 it was 65,400; in 1952 it was 108,200; in 1953 it was 93,600; and in 1954 it was 35,700; in 1955 it was 33,300; in 1956 it was 43,500; in 1957 it was 84,000; and in 1958 it was 79,600.

In 1959 we had 70,822 acres. And then under the recent bill, which Congress passed, that was reduced in 1960 to 64,766. And if this bill is passed you would have for 1961 about 63,740 acres allotted.

There would be a slight difference in the acreage allotment for 1960 and for 1961 due to the fact that the national quota is converted to the national allotment by using the average yield for the 4 preceding years. There is a slight change in the yield used for these 2 years, but it is very nominal.

Mr. GATHINGS. It is very nominal; yes.

Under the provision of the law which we now seek to extend one year for the crop year 1961, you now have about 112,000 and would continue to have that?

Mr. RHODES. That is the inventory of the Commodity Credit Corporation and it would not be increased.

Further reasoning behind recommending this for only 1 year is the fact that a committee has been set up jointly by the users of extra long staple cotton and the producers of this type of cotton. They have employed an outside economist to make an independent survey and economic report on this subject, and it is intended that after this additional information becomes available to try to take a long-term look at the extra long staple cotton situation. However, we need this 1 year in order to give time for that survey to be completed and to have time to make the type of analysis that needs to be made.

I might add that the Department is working with this independent group from the trade in this study.

Mr. GATHINGS. What was the yield per acre under the 1959 crop; what was the actual production?

Mr. RHODES. In 1959 the yield?

Mr. GATHINGS. Yes.

Mr. RHODES. 497 pounds was the yield per acre in 1959.

I might point out that in determining the 1960 allotment nationally we used the yield of 492 pounds per acre, and in determining the 1961 allotment that would go up to 500 pounds per acre.

Under existing laws you have to use an average of the 4 preceding years. So it moves forward each year.

Mr. GATHINGS. There has not been a great change in the past few years as to the yield per acre, has there?

Mr. RHODES. Not similar to that in upland cotton.

Mr. GATHINGS. Is it estimated that it would be about the same production as the 1959 production, or would it be slightly under the 1959 production, with the 10 percent cutback there?



Mr. RHODES. We could expect the 1960 production to be materially reduced from production in 1959, because we have 10 percent less acreage.

Mr. GATHINGS. You do not anticipate any great increase in yield in 1960 over 1959?

Mr. RHODES. Nearly all of this is grown in irrigated areas where you get about the same yield. We would never expect any material change in production per acre from one year to the other.

Mr. GATHINGS. When will this committee be ready to report so that something definitely can be worked out? We have been legislating with respect to price supports and acreage allotments of extra long staple cotton year in and year out. I just wonder when the report will be ready.

Mr. RHODES. The last report I had from the group was that they anticipated having their report ready about September or October of this fall. This would give several months then in which to analyze it and to try to develop a recommendation for a more permanent type program.

Mr. GATHINGS. Are there any further questions?

Mr. HAGEN. Is this cotton only grown in four States?

Mr. RHODES. Practically all of it is grown in Texas, New Mexico, and Arizona. A very small amount is grown in California.

Mr. HAGEN. None is grown in Florida or in the South?

Mr. RHODES. The American Egyptian is grown out in the Southwest and Western States. In Florida, Georgia, and Puerto Rico we have a little bit of Sea Island and Sealand, but the total does not mean more than 100 or 150 bales per year, just enough to be troublesome, but we do have to take it into consideration.

Mr. HAGEN. Is it the same general category of cotton?

Mr. RHODES. Yes.

Mr. HAGEN. I understand that the Department has laid down the rule which prevents you from disposing of this extra long staple cotton under Public Law 480; is that correct?

Mr. RHODES. No. The Department has issued several authorizations for extra-long-staple cotton. However, the Congress passed a bill a few years ago to transfer 50,000 bales of extra-long-staple stockpile cotton to the Department. At the time the President signed the bill, there was a statement issued by the President, in which he said that none of this cotton would be sold at reduced prices for export. If that is what you are talking about or not, I do not know.

Mr. HAGEN. Was that not the effect of the staple length restrictions in the Public Law 480 barter contract recently approved with India?

Mr. RHODES. That has been done in that case and in others, where certain countries desire to obtain quantities of cotton. Agreements between governments provide that cotton of such and such a staple length will be eligible under an authorization. This is true in the case of India. It has been true in some other cases.

Mr. POAGE. May we go off the record?

Mr. GATHINGS. Yes.

(Off the record discussion.)

Mr. HAGEN. This particular policy was not dictated by India, but rather by the State Department. I understand that there is prohibition against bartering CCC cotton if it is over  $11\frac{1}{16}$  or something like that in staple length, is that true?



Mr. RHODES. It is true that the upland cotton authorization issued under Public Law 480 as to India provides for specifications as to the staple lengths between thirteen-sixteenths of an inch and  $1\frac{1}{16}$  inches.

These authorizations are issued in the Foreign Agricultural Service.

Mr. HAGEN. I was not referring entirely to India, but rather to our general barter policy on cotton with respect to staple length which appears to be overly solicitous to Egypt.

Mr. RHODES. I might mention, Mr. Chairman, that recently there was an authorization issued under Public Law 480 for 5,700 bales of extra-long-staple cotton to go to Pakistan.

Mr. HELMBURGER. May I follow this with a question?

Mr. GATHINGS. Yes.

Mr. HELMBURGER. I take it from that, that long-staple cotton is now on the surplus list and eligible for sale under Public Law 480, under title I. Is it also on the list eligible for bartering?

Mr. RHODES. Yes, I am sure it is.

Mr. HELMBURGER. You are sure it is.

Mr. GATHINGS. Have you had any further movement under Public Law 480 of extra long staple?

Mr. RHODES. The only active case we have at this time is this one to Pakistan of 5,700 bales. I have no knowledge of any other country indicating any interest in the extra long staple cotton.

Mr. GATHINGS. That is the only sale since Public Law 480 was written last year?

Mr. RHODES. During this year, yes, sir. We have had others in the past.

Mr. HAGEN. Was there not some difficulty in the possible sale to Spain about some months ago where the Department refused to make long-staple cotton available to Spain?

Mr. RHODES. I cannot answer you, Mr. Hagen. I am not just close enough to that. I would not want to say yes or no, because I do not know.

Mr. GATHINGS. If there are no further questions, we thank you very much, Mr. Rhodes.

The next witness listed here as Mr. John C. Lynn, legislative director of the American Farm Bureau Federation. We will be glad to hear from you now.

#### STATEMENT OF JOHN C. LYNN, LEGISLATIVE DIRECTOR, AMERICAN FARM BUREAU FEDERATION, WASHINGTON, D.C.

Mr. LYNN. Thank you, Mr. Chairman. At this time I would like to file this statement as if I had read it and to make about three comments in the interest of saving time, if I may.

Mr. GATHINGS. You may.

Mr. LYNN. The Farm Bureau appreciates the opportunity to present a very brief statement with regard to H.R. 11144 and H.R. 12115. We favor the enactment of these bills.

These bills provide that the 1961 national marketing quota for extra-long-staple cotton shall not be less than 90 percent of the 1959 national marketing quota for such cotton. This, in effect, would extend for another year, through 1961, Public Law 86-341. The 1959 national marketing quota for extra-long-staple cotton was 73,989

bales. The 1960 marketing quota was 66,590 bales. Under the proposed legislation the quota would be the same in 1961 as in 1960.

For the first 8 months of the current season, disappearance of this cotton is over 115,000 bales. This confirms the substantial increase in demand for extra-long-staple cotton reported by trade sources.

The Commodity Credit Corporation's inventory of this cotton has been reduced by almost 26,000 bales during this period. Even if we take into account the amount of extra-long-staple cotton under loan, there has been no buildup in CCC stocks. And with a continuation of the strong demand for extra-long-staple cotton for the remainder of the current marketing year, we can look forward to smaller stocks of this cotton in the hands of CCC this August 1 as compared with last year.

Under the present law the national marketing quota would be about 36,000 bales in 1961. We believe such a drastic reduction in acreage that would be necessary under such a decreased quota would permanently disable the extra-long-staple cotton industry in the United States.

The domestic producers of extra long staple cotton have come before the committees of Congress on several occasions and asked that their price support level be reduced so as to make their cotton more competitive. We are encouraged over the fact that great strides are being made in increasing consumption of extra long staple cotton. We understand that a committee has been established representing producers and the consuming mills to do further research on the problems of making extra long staple cotton more competitive as to both quality and price.

Farm Bureau thinks that the rate of imports of extra long staple cotton into the United States is higher than it needs to be, considering the fact that the U.S. producers of this type of cotton have demonstrated their ability to produce efficiently. On several occasions we have recommended an investigation and action by the Tariff Commission under the provisions of section 22. We believe the case for action under provisions of section 22 is quite clear; however, the Tariff Commission in 1959 decided against a favorable recommendation in this regard. We are still hopeful and will continue to work to get another hearing before the Tariff Commission in order that the case of the extra long staple cotton producers can be reconsidered.

For your information, we are attaching to this statement a copy of a letter to Under Secretary of Agriculture True D. Morse, indicating our continued desire for section 22 action with regard to the imports of extra long staple cotton.

AMERICAN FARM BUREAU FEDERATION,  
*Washington, D.C., January 25, 1960.*

Mr. TRUE D. MORSE,  
*Under Secretary of Agriculture,  
Washington, D.C.*

DEAR MR. MORSE: We wish to again express our concern in regard to the extra long staple cotton situation.

We sincerely believe that prompt action is necessary by the Department of Agriculture if a Tariff Commission recommendation and a Presidential decision under section 22 is to be obtained before marketing quotas are established for next year.

The extra long staple cotton producer has cut his price almost in half during the past 9 years, a period of rising—not declining—prices. His current price



would have been competitive with the price of imported fiber in every year prior to marketing year 1957. For example, in August of 1957 Egyptian Karnak was selling 40 percent under its 1951 price. Despite this fact, in a little over a year the world market price dropped by another 50 percent.

The manipulation which have caused this unrealistic pricing situation are difficult to ascertain. But the result has been disruption and thwarting of the purpose of the U.S. Government program on extra long staple cotton.

We are aware that in July 1959 the Tariff Commission found no disruption to the program by a 3 to 2 vote. The three Commissioners making this determination felt that it was not the intention of Congress that the reduction of imports be made a "cardinal feature" of the agricultural program. The same decision stated that it was important for domestic mills to have an adequate supply of extra long staple cotton at fair prices. We believe that the Department should have little difficulty in establishing that the reduction of imports is not a "cardinal feature" of this program and that the program is specifically designed and is accomplishing the objective of providing an adequate supply of extra long staple cotton at fair prices to our domestic mills.

Two important changes have occurred since the Tariff Commission decision in July 1959: (1) Congress has enacted a special provision for the temporary relief of the extra long staple cotton producer; (2) at the time the Tariff Commission decision was made, quantities of foreign produced extra long staple cotton were in bonded warehouses awaiting the August 1, 1959, quota date. The Tariff Commission's decision seemed to place great weight on the latter point and stated that a curtailment of imports would "impose severe hardship on importers and mills \* \* \*."

Such a situation does not exist at the present time. However, we run the risk of working under such a handicap if the Department of Agriculture delays in requesting the Tariff Commission to reopen its investigation.

There is every indication that extra long staple cotton production is efficient in the United States and is competitive under normal marketing conditions with foreign growths. In addition, intensive promotional efforts are expanding the consumption. The program for extra long staple cotton can demonstrate that high price supports are not the answer in obtaining increased net income for American farmers. Proper application of section 22 of the Agricultural Adjustment Act will permit such a demonstration. To disregard the clear purpose and intent of section 22 on the other hand could jeopardize the whole future of our foreign trade policy.

Very truly yours,

JOHN C. LYNN, *Legislative Director.*

Mr. LYNN. First, we approve these bills which have the effect of extending this extra provision to the 1961 crop.

Second, we have been pressing for about 3 years to get some action by the Tariff Commission with regard to the importation of extra long staple cotton.

We think that if there ever has been a good case under section 22, this is it.

Here we are continuing to import at a rate far in excess of our domestic production. And we are going to continue to press the Department of Agriculture to ask again for another hearing before the Tariff Commission, because we believe this is a good case.

The third point that I would like to make is that I would hope that the report of this committee would emphasize the need for the Department of Agriculture, under Public Law 480, to push the sale of this surplus and extra long staple cotton.

I do not know that anybody knows how much we have got or not. As you know, we had this stockpile that was accumulated during the war, part of which has been released, part of which has not, but, nevertheless, it is hanging over the market. And we believe that a lot of this cotton is low quality and could be advantageously sold under Public Law 480.



We believe it is very necessary, Mr. Chairman, to have a good strong production of this extra long staple cotton. We believe these producers are doing everything possible to try to produce quality—they are increasing their consumption and their production.

Mr. GATHINGS. How much increase in consumption?

Mr. LYNN. 25,000 or 30,000 bales this year, based on the first 8 months—maybe 25,000 or 30,000 bales increase in consumption.

Mr. GATHINGS. What percentage would that be?

Mr. LYNN. This would be in the neighborhood of 20 percent, I expect, increase in consumption. I am sure that the Cotton Council have these figures better in mind than I have.

Mr. GATHINGS. We can get those figures from them.

Mr. LYNN. They are doing a good job. At least, we ought to allow our own producers to produce as much as we import.

This concludes my presentation.

Mr. GATHINGS. Thank you very much.

Mr. HAGEN. Is this imported long staple cotton enjoying a price advantage?

Mr. LYNN. Well, it enjoys a price advantage. As you know, Egypt peddled its crop all over—you know, some to Russia, and other places. And they were selling grades of cotton at 30 or 35 cents a pound, if my recollection is correct, while our price support was at 53 cents. So this is one of the cases that we tried to make to the Tariff Commission—that you could almost—that this is dumping under the Reciprocal Trade Agreements Act.

Mr. POAGE. Which long staple do they want, do they want extra long, or the short, the inch and a thirty second? Would not the one bring as much as the extra long?

Mr. LYNN. About that, I think, Mr. Poage.

Mr. HAGEN. Is there any export subsidy on this?

Mr. RHODES. No, sir, there is not. We have never had an export subsidy on extra long staple.

Mr. HAGEN. Is that statement true of that which is consumed in the domestic mills for oversea sales. We have a subsidy paid the mill for cotton, that is, upland cotton that goes into goods that are sold abroad.

Mr. RHODES. In order to be eligible for the export subsidy on the manufactured products it must be made of upland cotton.

I would like to make one comment on the price question. I did a little checking back yesterday. It would appear right now that Egypt with that kind of cotton, which is about comparable in quality with our cotton, that we are selling here, is at \$40 to \$45 a bale below our cotton price. You can get it for that decrease.

Mr. GATHINGS. If there are no further questions, we thank you very much, Mr. Lynn.

Mr. LYNN. Thank you.

Mr. GATHINGS. We would like now to hear from Mr. Rhodes, of Arizona. And this is on H.R. 11144.

STATEMENT OF HON. JOHN J. RHODES, A REPRESENTATIVE IN  
CONGRESS FROM THE FIRST CONGRESSIONAL DISTRICT OF THE  
STATE OF ARIZONA

Mr. RHODES. Thank you, Mr. Chairman. It is always a pleasure to appear before this subcommittee and, in fact, all of the Committee on Agriculture.

I want to thank you for conducting these hearings to help an industry which, in my opinion, deserves about as much as any industry I know of.

The producers of long staple cotton have for many years been in a situation whereby they have been trying to increase the consumption of their own products in what I would regard to be the best traditions of the American free enterprise system.

They have banded themselves together in an association. They have taxed themselves a certain amount per bale in order to make the use of long staple cotton more popular, and have been rather successful in this endeavor.

Of course, it would seem to be unjust that the people who have paid their money to popularize the use of this product might, really, be popularizing the use of a foreign product, as well as their own. However, knowing that this would be the situation they have, nevertheless, went into the business of trying to get people to know what long staple cotton is and to use more of it.

The Supima Association was organized some years ago, and has had as its objective the promotion of the use of long staple cotton. This is completely a producers association. However, it has had liaison with groups of processors and, also, with the people who market long staple cotton, both here and abroad.

The situation now, Mr. Chairman, is—and I am sure other witnesses have testified to this—that unless this bill or a similar bill is passed there will be a very drastic reduction in the acreage for this next year. It will necessitate many growers of long staple cotton leaving the business of growing long staple cotton. It will, in effect, nullify the work which has gone on by the Supima Association and the individuals of it as far as popularizing this product is concerned, because they will not be able to stay in the business of producing. And, therefore, of course, will not, probably, stay in the business of trying to popularize the product.

Mr. GATHINGS. Right at that point, I wish Mr. Heimbürger, that you would put in the record the law under which the long staple cotton is covered, to show just what that is. I believe that the Department testified on this, but if you will put in the record the provision of the law affecting the acreage allotments as to the extra long staple cotton, I think that it would be helpful.

Mr. HEIMBURGER. Would you like that to be inserted in the record?

Mr. GATHINGS. At this point in the record, yes.

Mr. HEIMBURGER. I will do so.

(The document entitled, "Long Staple Cotton," section 347(a) follows:)

LONG STAPLE COTTON

SEC. 347. (a) Except as otherwise provided by this section, the provisions of the Part shall not apply to extra long staple cotton which is produced from pure strain varieties of the Barbadosense species, or any hybrid thereof, or other



similar types of extra long staple cotton designated by the Secretary having characteristics needed for various end uses for which American upland cotton is not suitable, and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of such varieties or types. (7 U.S.C. 1347(a).)

(b) Whenever during any calendar year, not later than October 15, the Secretary determines that the total supply of cotton described in subsection (a) for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of cotton described in subsection (a) adequate to make available a normal supply of cotton, taking into account (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year: *Provided, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks.* The national marketing quota for cotton described in subsection (a) for any year shall not be less than the larger of thirty thousand bales for a number of bales equal to 30 per centum of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed: *Provided, however, That the national marketing quota for the 1960 crop of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton.* (7 U.S.C. 1347(b).)

(c) All provisions of this Act, except section 342, subsection (h), (k), and (l) of section 344, the parenthetical provisions relating to acreages regarded as having been planted to cotton, and the provisions relating to minimum small farm allotments, shall, insofar as applicable, apply to marketing quotas and acreage allotments authorized by this section: *Provided, That the applicable penalty rate for such cotton under section 346 shall be the higher of 50 per centum of the parity price or 50 per centum of the support price for extra long staple cotton as of the date specified therein.* (7 U.S.C. 1347(c).)

(d) Unless marketing quotas are in effect under subsection (b) of this section, the penalty provisions of section 346 shall not apply to any cotton the staple of which is one and one-half inches or more in length. (7 U.S.C. 1347(d).)

(e) The exemptions authorized by subsections (a) and (d) of this section shall not apply unless (1) the cotton is ginned on a roller-type gin or (2) the Secretary authorizes the cotton to be ginned on another type gin for experimental purposes or to prevent loss of the cotton due to frost or other adverse condition. (7 U.S.C. 1347(e).)

Mr. RHODES. The effect would be that the 1959 national marketing quota of 73,989 bales, and the 1960 national marketing quota of 66,590 bales would be reduced in 1 year to run 36,000 bales, which is a reduction of over 50 percent of the 1959 quota. And is somewhat less than 50 percent of the 1960 quota.

So I am sure that the experienced members of this subcommittee can readily see that absorbing an acreage loss like this, represented by the reduction in the marketing quota, would be more than the producers could stand and, undoubtedly, would necessitate many of the producers, in fact most of them, getting out of the business of producing long staple cotton.

I do not think it is necessary to repeat to this subcommittee the fact that in times of emergency long staple cotton is a commodity greatly to be desired; that it, certainly, behooves us to retain some sort of a base, at least, of production in the event that it might be needed in future national emergencies.



Mr. GATHINGS. What have been its uses in the past, other than in parachutes for defense?

Mr. RHODES. It has many other uses, involving national defense, that is, it has other uses than that. It can be used, in fact, was used for automobile tire cords, as I understand it. It has many uses which we regard as being of a defense use.

Mr. HAGEN. I would like to ask Mr. Rhodes a question. What is the total domestic use of long staple cotton?

Mr. RHODES. I will refer to my illustrative namesake.

Mr. HAGEN. What is the total domestic use of the domestic long staple cotton?

Mr. F. MARION RHODES. It is at 115,000 bales. It has varied from 100,000 up to as high, I think, 128,000 bales, but our current estimate for this year is 115,000 bales.

Mr. HAGEN. Is there any established export?

Mr. F. MARION RHODES. We are making exports this year at 5,000, but we have had only 1 or 2 years in history where we exported any appreciable amount. And we do not foresee any appreciable amount this year, that is, in way of increase.

Mr. HAGEN. Thank you.

Mr. POAGE. Your estimate does not take into account the past Indian trade?

Mr. F. MARION RHODES. That is the estimate. The authorization to Pakistan, which does not have to be shipped until December 1961 is not within that. We do not know how much will go out prior to August.

Mr. POAGE. Nobody buys for dollars, do they?

Mr. F. MARION RHODES. There has not been any since back in 1957. I think that we did sell some one year, during the Suez crisis, when we exported quite a little, something like 5,500 bales, but it was only very unusual circumstances that brought that on. I do not think that you can anticipate this year or next year to have such.

Mr. JOHN J. RHODES. I might point out that in the letter of the Department of Agriculture, addressed to Hon. Harold Cooley, dated May 11, 1960, that they said the increase of stock of the Commodity Credit Corporation was very small last year, even though it was necessary to pass legislation similar to this to make the 1960 marketing quota about equal to that of 1959. So the prospects and, in fact, the hearsay of this legislation is such that the increase in stocks will be very small, if any, at all.

Mr. GATHINGS. Yes. Mr. Rhodes of the Department gave us that information.

Mr. JOHN J. RHODES. I have nothing further.

Mr. GATHINGS. We thank you very much.

The next witness is a representative of the National Cotton Council, Mr. J. Banks Young. We will be glad to hear from you now.

#### STATEMENT OF J. BANKS YOUNG, WASHINGTON REPRESENTATIVE, NATIONAL COTTON COUNCIL OF AMERICA

Mr. YOUNG. Mr. Chairman, I have a very brief statement that I will file for the record.

Mr. GATHINGS. Without objection that may be done.

(The prepared statement of J. Banks Young, National Cotton Council of America, follows:)

STATEMENT OF THE NATIONAL COTTON COUNCIL

Mr. Chairman, for the record, my name is J. Banks Young. I am Washington representative of the National Cotton Council of America, which has its headquarters in Memphis, Tenn.

The cotton council fully supports the legislation before the subcommittee providing for a 1-year extension of the minimum national marketing quota for Extra Long Staple cotton. At the council's last annual meeting, a resolution calling for the development of a long-range program for Extra Long Staple cotton was unanimously adopted. Among other things, that resolution specified that such program should seek to establish and maintain Extra Long Staple cotton production in the United States on a permanent and sound basis with a minimum allotment of 64,776 acres.

Mr. Chairman, you and the members of this committee are familiar with Supima Association, the organization of Extra Long Staple cotton growers, and its efforts to increase the consumption of American grown Long Staple cotton. Due almost exclusively to factors over which U.S. farmers have no control and with which they cannot compete on their own, the national acreage allotment for this cotton has fallen from the level of about 89,000 acres in 1957.

In order to prevent a drastic cut in acreage and give the Extra Long Staple growers time to work out a long-range program, the Congress established for 1960 a minimum national marketing quota of 90 percent of the 1959 level.

The growers are making progress in their program. First, they have instituted a study of the domestic consumption picture. Something is wrong with the census reports of consumption. For example, for the first 8 months of the current marketing year, census reports of domestic consumption and exports failed to account for 34,000 bales of this cotton which has "disappeared" since last August 1. In other words, the supply (August 1 stocks, plus 1959 crop, plus imports) exceeds by 34,000 bales the quantity which the census reports as having been consumed and exported, plus the quantity on hand on April 1. If this cotton has been actually consumed by cotton mills in this country, but erroneously reported as upland consumption, the statistical picture is such that perhaps an increase instead of a reduction in the long staple allotment would probably be justified.

Another indication of strength in the long staple picture is the fact that currently the Government's holdings of extra-long-staple cotton are about the same as they were on August 1, 1959. This means that the "trade" has bought a quantity just about equivalent to the 1959 domestic production plus imports. The amount of long staple which still remains in the CC loan has been offset by purchases from CC inventories and the stockpile available for sale. By August 1, it is almost certain that the Government stocks will be lower than a year earlier.

The long staple growers are asking that the minimum marketing quota established for 1960 (90 percent of 1959) be continued for the 1961 crop year. This is 10 percent less than the acreage which produced a quantity of cotton that has actually moved in the trade channels during the first 8 months of the current marketing year.

This legislation is vital to the welfare of our domestic long staple industry. We strongly urge that this committee and the Congress approve it at the earliest possible date. We appreciate this opportunity of presenting our views to the subcommittee.

Mr. YOUNG. Mr. Chairman, the cotton council supports the enactment of the bills extending for 1 year the minimum marketing quota for extra-long-staple cotton. There are three reasons.

One of these is that there is, apparently, something wrong with the consumption statistics.

I have a table here which I wish to make available to the committee to show just what is happening.

Mr. GATHINGS. Without objection, that will be made a part of the record at this point.

(The table, dated May 3, 1960, entitled, "U.S. Supply and Distribution of Extra Long Staple Cotton," follows:)

*U.S. supply and distribution of extra-long-staple cotton,<sup>1</sup> Aug. 1, 1959–  
Apr. 2, 1960*

Supply:	1,000 bales
Stocks, Aug. 1, 1959-----	146.4
Imports-----	85.6
Production-----	69.1
Total-----	301.1
Distribution:	
Consumption (8 months) <sup>2</sup> -----	80.2
Exports (8 months) <sup>3</sup> -----	1.5
Stocks, Apr. 2, 1960-----	185.4
Total-----	267.1
Disappearance unaccounted for by reported consumption and exports----	34.0

<sup>1</sup> Includes Tanguis.

<sup>2</sup> Census is currently revising this figure upward.

<sup>3</sup> Census figures currently understate exports since 3,259 bales were exported to Pakistan under a Public Law 480 authorization during this period, according to USDA.

NOTES.—

(1) CCC stocks reduced from 71,323 to 51,652 bales from Aug. 1 to Apr. 13.

(2) Stockpile reduced from 40,709 to 34,407 bales from Aug. 1 to Apr. 13.

(3) Through Apr. 29, 1960, 35,263 bales had been placed in loan; 8,395 had been withdrawn; leaving 26,868 bales in loan.

Source: Bureau of Census.

Mr. YOUNG. The stocks on August 1 of this cotton were around 146,400 bales. Imports were 85,600. The production was 69,100 bales which makes a total supply of 301,100 bales.

Through the first 8 months of the current year consumption, as reported by the Census Bureau, was 80,200 bales and exports were 1,500 bales. Stocks as of April 2, 1960, were 185,400 bales. This gives a total distribution of 267,100 bales.

There is a 34,000-bale discrepancy here.

In other words, supply exceeds distribution by that amount. There is some thought that the consumption might be understated by an amount equivalent to the 34,000 bales of cotton that has been consumed by mills and reported as upland, instead of long staple, consumption of long-staple cotton is reported at 34,000 bales below its actual level.

The estimate that Mr. Rhodes gave you, of course, is based on the official statistics, but there may be something wrong with the reporting system. And that is one of the things that the study group to which reference has been made is working on.

The second point which was covered by Mr. Rhodes is that the trade has purchased the equivalent of both the crop and the imports for the current period, and by the end of the year we feel like the trade will have bought more than the crop and the imports. This would leave the Commodity Credit Corporation stocks on August 1, this year lower than they were on August 1 last year.

I have a table here which summarizes that information, which I will put into the record. Mr. Rhodes went over the figures.

Mr. GATHINGS. That will be made a part of the record at this point.



(The document entitled "Government Stocks of Extra Long Staple Cotton" follows:)

*Government stocks of extra long staple cotton*

Date	CCC-owned stocks	Stockpile <sup>1</sup>	Loan	Total owned or controlled
Aug. 1, 1959.....	71,328	40,709	-----	112,067
Apr. 29, 1960.....	51,652	34,407	26,868	112,927

<sup>1</sup> Amount shown is remainder of 50,000 bales released from strategic and critical materials stockpile in 1957.

NOTE.—It is readily apparent from the above that CCC stocks have not been built up so far this season. As a matter of fact, the trade has purchased an amount practically equivalent to the 1959 crop of 69,094 bales and imports of 85,600 bales under the quota.

Mr. YOUNG. The third point is the study which the industry is making. Mr. Rhodes has referred to that. I do not see any necessity of going into that any further.

I have an analysis of the foreign situation which was prepared by our Foreign Trade Division which I would like to make available for the record, if you would like to have it included. I have copies of this for the committee.

Mr. GATHINGS. That will be made a part of the record at this point.

(The document dated April 4, 1960, entitled, "Foreign Extra Long Staple Cotton Situation" follows:)

FOREIGN EXTRA LONG STAPLE COTTON SITUATION

SUMMARY AND CONCLUSIONS

Demand for extra-long-staple cotton continued at record levels during the first half of the current season; however, foreign producers still face large supplies currently and an uncertain future demand. Supply and demand relationships since 1956 have remained fairly well in balance due to the 1957-58 crop failure in Sudan and the exceedingly heavy Communist purchases in 1958-59 and during the first half of the current season. Although foreign producers have recently been successful in their sales effort, much of the success has been dependent on Communist purchases and the need among the free world countries to build up stocks. The demand built on Communist purchases on one hand and stock replenishment on the other has not been large enough to reduce stocks in exporting countries.

*Extra long staple cotton: Free foreign supply and distribution <sup>1</sup>*

[Thousands of bales]

Item	Season beginning Aug. 1			
	1956	1957	1958	1959
Supply:				
Stocks.....	303	600	548	682
Production.....	1,305	1,156	1,861	1,842
Total.....	1,608	1,756	2,409	2,524
Distribution:				
Consumption <sup>2</sup> .....	7	79	75	-----
Exports:				
Free world.....	737	799	1,004	-----
Communist.....	264	330	655	-----
Stocks.....	600	548	682	-----
Total.....	1,608	1,756	2,409	-----

<sup>1</sup> Producing countries.

<sup>2</sup> Includes destroyed.

Source: International Cotton Advisory Committee.

An examination of the supply and demand trends for extra long staple cotton clearly indicates that present production levels are considerably higher than the average demand for such cotton. Indications point toward continued large crops and increasing surpluses in the years ahead unless Communist purchases continue high and prices remain competitive with upland types.

## PRODUCTION

Production of extra long staple cotton in free foreign countries expanded rapidly through the 1958-59 season. Higher yielding varieties in Egypt plus expanded acreage in the Sudan and Peru contributed to a record production of 1,860,000 bales in 1958-59, nearly twice average production for the 3-year period, 1953-55.

*Extra long staple cotton: Free foreign production*

[1,000 bales]

Country	Season beginning Aug. 1—				
	1953-55	1956	1957	1958	1959 <sup>1</sup>
Egypt.....	530	614	851	1,180	1,086
Sudan.....	364	554	165	527	600
Peru.....	65	108	107	129	130
Others.....	27	29	33	25	26
Total.....	986	1,305	1,156	1,861	1,842

<sup>1</sup> Tentative estimate.

Source: International Cotton Advisory Committee.

The outlook points toward a leveling off of production at this exceedingly high level over the next few years. Egypt is continuing the shift toward higher yielding varieties which in part will offset possible reductions in area because of acreage restrictions. Sudan can be expected to continue to expand acreage but the pace might slow due to difficulties in financing irrigation projects. Peru probably will show no significant expansion in production over the next few years. Other countries produce small amounts which have not varied substantially in recent years.

## OFTAKE

Free world consumption statistics of extra long staple cotton are not available for all countries but it is evident from the disappearance figures of producing countries that consumption trended downward through 1957-58. It appears, however, that the trend was reversed during the latter half of 1958-59 as extra long staple cotton became competitive with long staple Uplands on a price basis. Whether the improvement will continue will be determined largely by price levels and general textile demand.

While free world demand for extra long staple cotton contracted, there has been a sharp expansion of purchases by Communist countries capped by purchases of about 650,000 bales during the 1958-59 season. The increasing exports to Communist countries have been a significant factor in postponing the extra long staple cotton surplus crisis and have enabled the producing countries to work off a large part of the surplus stocks each season. Since Communist purchases are influenced by political considerations, future trends are uncertain.

## STOCKS

Stocks of extra long staple cotton in the free foreign world have changed little from year to year over the past few years; however, there have been significant shifts in stocks between producing and importing countries.

At the beginning of the 1953 season stocks held in producing countries were about 690,000 bales. These were reduced sharply as importers stocked up due to rising prices and the Suez crisis and by August 1, 1956, producing countries only held approximately 300,000 bales. Importers began to reduce stocks in face of declining prices during the 1956-57 season and this trend persisted until the middle of the 1958-59 season when prices stabilized.

During the latter half of 1958-59 season, stocks were built up somewhat by importing countries, however, purchases were not sufficient to move surpluses from producing countries, whose stocks increased to about 680,000 bales. With importers having slightly heavier stocks and producers having a surplus, it is probable that stocks in the free world are at a record level.

## PRICES

Prices of foreign produced extra long staple cotton increased from 1953-54 through 1956-57, but then began to soften and declined significantly until March 1959, reaching a low of 29.5 to 32 cents per pound. Prices began hardening when the importers decided a bottom had been reached and started stocking cotton. The upward trend in prices was moderate until December when Communist countries began to purchase sizable quantities of Egyptian cotton. These purchases accentuated the trend and price quotations from all three producing countries rose substantially until the first week in February 1960. Since the peak in early February, price quotations have declined about 6 cents for Sudanese and Egyptian varieties. It appears that prices have temporarily stabilized, however, the heavy movement of Sudanese cotton during the marketing season may cause further declines.

*Extra long staple cotton prices*

[Cents per pound]

Period	Peru, Pima No. 1	Sudan, G5S	Egypt, Kar- nak, F.G.
1956-57.....	63.61	69.33	72.11
1957-58.....	49.19	48.51	49.57
1958-59.....	35.70	34.59	35.70
1959-60:			
August.....	37.05	35.90	38.10
September.....	38.03	35.84	37.05
October.....	38.81	35.64	36.89
November.....	39.10	36.43	38.69
December.....	42.03	40.18	41.87
January.....	46.36	44.71	47.53
February.....	47.89	44.87	52.56
March:			
3.....	47.30	43.86	51.68
10.....	45.65	43.51	49.93
17.....	47.60	42.05	47.60
24.....	47.60	40.59	48.36

Source: International Cotton Advisory Committee.



*U.S. supply and distribution of extra long staple cotton*<sup>1</sup>

[1,000 bales]

	1958-59	1959-60
Supply:		
Stocks, Aug. 1:		
American-Egyptian.....	115.9	122.2
Consumption, estimated.....	14.1	7.4
Public storage.....	101.8	<sup>2</sup> 115.0
Egyptian.....	8.0	18.0
Consumption, estimated.....	5.3	9.9
Public storage.....	2.7	8.1
Peruvian.....	3.6	6.2
Consumption, estimated.....	3.4	6.1
Public storage.....	.2	.1
Total.....	127.5	146.4
Imports.....	85.6	85.6
Production.....	81.9	69.1
Supply.....	295.0	301.1
Distribution:		
Consumption:		
American-Egyptian.....	45.7	-----
Egyptian.....	43.6	-----
Peruvian.....	19.5	-----
Total.....	108.8	115.0
Exports.....	22.8	5.0
Stocks, July 31.....	147.4	181.1
Distribution.....	279.0	301.1
Excess supply.....	17.0	-----

<sup>1</sup> Includes Tanguis.<sup>2</sup> Includes 72,000 bales CCC stocks and 41,000 stockpile cotton held by CCC. CCC stocks 52,550 and 36,662, total 89,212 bales as of Mar. 30, 1960.

NOTE.—Through Mar. 25, 1960, 34,535 bales of American-Egyptian cotton had been put in loan; 5,538 bales had been withdrawn; leaving 28,997 bales in loan.

Source: Bureau of Census and USDA.

Mr. YOUNG. We feel that, certainly, these three points, Mr. Chairman, amply justify the extension for an additional year of the minimum quota and support the enactment of the legislation.

That is all I have.

I would like to say that the American Cotton Manufacturers Institute would like to furnish for the record a statement in support of these bills. They will have the statement ready sometime this afternoon or the first of the week.

Mr. GATHINGS. It will be made a part of the record without objection.

(The statement of the American Cotton Manufacturer's Institute follows:)

STATEMENT OF DONALD J. MAY, DIRECTOR, ECONOMIC INFORMATION, THE AMERICAN COTTON MANUFACTURERS INSTITUTE, INC.

Mr. Chairman and gentlemen, the American Cotton Manufacturers Institute appreciates the opportunity to file a rather brief statement on the extra long staple cotton problem.

The members of this committee are, of course, aware of the fact that the development of the extra long staple cotton industry in the United States came about through the cooperative efforts of producers and users of extra long staple cotton.

We have seen in the establishment of the extra long staple cotton industry a fine example of the application of research in the selection and breeding of seed, and in the preparation of processing of these special cottons.

Along with the research efforts carried on by the Department of Agriculture and by cotton growers there has also been a carefully planned promotion program designed by the Supima Association of America to improve the quality and increase the consumption of extra long staple cotton.

The extra long staple cotton industry has been in the forefront of other agricultural groups in the application of promotional programs and good marketing practices which would enable the industry to continue on a sound and permanent basis and meet the competition from other consumer products. In the last year or two there has been considerable concern over the future of the extra long staple cotton industry. This concern has been brought about largely by factors outside the industry.

Last year, extra long staple cotton producers and users recognizing the importance of establishing the extra long staple cotton producing industry on a permanently sound basis, set up a joint committee to study the industry's potential.

Currently this committee has employed an expert economic analyst who is making a thorough study of production, consumption, pricing, promotion, and other factors which will develop for the first time a reliable and thorough picture of the industry's prospects. The preliminary results of this study are not expected to become available until a later time this year. When the results of the study do become available they will permit thorough discussion and evaluation of the industry.

This cooperative and sincere effort to determine all the facts and to assess the real potential of this industry will provide a basis for understanding the possibilities of future growth in the industry. However, in view of the fact that there is a likelihood of some reduction in the size of the 1961 acreage allotments under the present Government price support program, there is a strong need for temporary legislation to carry the industry through the next year.

In consideration of these and other factors, the American Cotton Manufacturers Institute urges the committee to approve the Gathings' bill to prevent a cut in the acreage allotment for extra long staple cotton for the period indicated.

Mr. GATHINGS. Are there any questions of Mr. Young?

Mr. HEIMBURGER. May I inquire of Mr. Young?

Mr. GATHINGS. Yes.

Mr. HEIMBURGER. I see by your figures that on April 29, 1960, there were still 34,407 bales remaining in the stockpile. How is this stockpile of cotton being disposed of, if it cannot be exported?

Mr. YOUNG. It can be exported, but there is no export subsidy. It is being offered by the Commodity Credit Corporation at the larger market price or 105 percent of the current support price, priced in the warehouse, where it is located. So it is sold in the same general manner as Commodity Credit Corporation owned stocks which were acquired by it through price-support operations.

Mr. POAGE. Why does not anybody buy that, is it because they have to pay more for this than they do for the foreign stocks?

Mr. YOUNG. Mr. Poage, I think it is a matter of grade. Some years the qualities that the trade might want for a particular end use are not produced in sufficient quantities. Then too the price differential between these stocks and the crop is relatively small—105 percent. Buyers can acquire cotton from the Commodity Credit Corporation, either the stockpile cotton or the owned cotton. They can acquire that for just a very small amount more than what they would have to pay for the crop at the time it was produced. It is a matter of quality, primarily.

Mr. GATHINGS. Are there any further questions? Are there any questions of other witnesses with respect to their statements.

Mr. YOUNG. Might I take just a minute to refer back to Mr. Poage's question of Mr. Whitaker about cotton quality and cotton classings?

Mr. GATHINGS. Yes.

Mr. YOUNG. For 2 or 3 years now the cotton council and the cotton industry have been trying to get a greatly expanded research program underway to develop a grading system that is objective and that measures more than the color and the foreign matter. We were successful last year in getting an appropriation of \$200,000 to work on the harvesting and ginning problems of cotton quality. That work is being done in Mississippi.

About \$75,000 was made available for the current fiscal year for a pilot plant operation at Clemson.

We do not know precisely what has happened to the cotton, nor why. We do know that there is hidden damage to the fiber. That fact is being developed by the spinning tests at Clemson.

Control lots of cotton harvested and ginned in a certain manner coming to Clemson are being run through these spinning tests, and they are showing wide variations in the cost of manufacturing the yarn and in the strength and the uniformity of the yarn and the quality of the yarn.

We need to go further in processing. A mill test made about 21½ or 2 years ago indicated that all the quality differences, could not be detected, even in the yarn. The cloth had to be woven, bleached or dyed, finished before all of the quality differences could be detected.

So we need weaving and finishing facilities added to the pilot plant.

Then after we have found out about the quality differences by running the fiber through the processing machinery, we need to take lots of those fibers and to study the fiber itself. These are basic studies to find out just what is in the fiber that causes these differences in the quality of the yarn and the quality of the cloth. And then we need to develop instruments to measure those differences.

We requested of the Appropriations Committee this year almost \$1 million to expand this program. The House Committee report specified that these spinning tests, which are incidentally, running about 18 months behind, be increased by \$150,000 by shifting some funds. They specified that the work on the basic fiber research, the weaving and spinning facilities, and instrument development, totaling \$700,000 be carried out under Commodity Credit Corporation contracts, since this does have a great bearing in the disposition on Commodity Credit Corporation stocks.

We are very happy that we have been able to get as much attention to this problem, and as many funds for the coming fiscal year as we have.

Our technologists believe that in a matter of not too many years we may come up with a much improved method of grading cotton which will take into consideration maturity, strength, uniformity, as well as get at this problem of ginning and harvest damage, and point the finger at the processes that cause it and suggest means of avoiding it.

Mr. POAGE. Are you not suggesting as to the strength that nobody pays for the strength, and if they do not, why do we need to bother with producing strength—nobody pays for it currently.

Mr. YOUNG. I think that it is because it is difficult to make that test. We do not have the simplified machinery whereby that can be



done readily. That is one of the things we need to get at in this research and instrument development that I mentioned.

Mr. POAGE. Do you mean to say that you think that somebody would pay for it if it were possible to determine it?

Mr. YOUNG. We believe so.

Mr. POAGE. I do not believe that anybody will pay for it now.

Mr. YOUNG. Certainly, that may be correct but we hope and we have good reason to believe that there is a good possibility of developing instruments which will measure all of these factors that are commonly referred to as character, in addition to staple length and foreign matter, and that they can be incorporated in the grades. They certainly need to be.

Mr. JONES of Missouri. You say that nobody is paying for the strength. That is what you said to Mr. Poage, did you not? I understand he said that, but at the same time, it has been my understanding that they do pay attention to the character of the cotton. I have a very good friend who states that buyers are paying more attention to the character of their cotton, and while they are not paying any more, they are using a greater selectivity when they are buying the cotton to see that they do get this particular character. Is that not true?

Mr. YOUNG. That is true. I think it is difficult to say what they are paying for and what they are not paying for. We do know that in certain years that cotton from a certain producing area will command a premium. That is because of these factors which the trade describes as character that I mentioned. It is a combination of those factors. They have bought lots of cotton and have run tests on it and they find that it has the qualities that they want and they will pay a premium for it. I believe they are paying premiums for strength in some instances.

Mr. JONES of Missouri. I think that they not only are paying a premium but they are using this selectivity. I think that there will be tendency in the trade to try to play down the factors that they are using as measurements to reflect certain things for fear that it will add to the official classification which would cause it to command a greater price. I think that they are developing their own techniques and that they are taking into account the things we are talking about here, and that cotton which is being developed which has those characteristics is being purchased first, and they buy that cotton.

Mr. YOUNG. That is all I have.

Mr. GATHINGS. Thank you very much.

Mr. YOUNG. Thank you.

Mr. GATHINGS. Mr. Heimbürger wants to summarize some information he has.

#### STATEMENT OF JOHN J. HEIMBURGER, COUNSEL, HOUSE COMMITTEE ON AGRICULTURE

Mr. HEIMBURGER. Chairman Cooley has received from Mr. W. K. Shaw, Jr., of the E. A. Shaw & Co., Inc., a cotton firm in Boston, Mass., a letter containing supporting statistical material which expresses opposition to H.R. 11144, which was the bill originally referred to the committee. The chairman in reply to Mr. Shaw's letter told him that his views would be presented to the committee at the time that this matter was brought before it.

Mr. Shaw says that he is opposed to the bill in its present form and proposes that the bill be amended to do two things—to require that the Department of Agriculture export long-staple cotton competitively, as it does short-staple cotton, or upland cotton, and that an additional duty be imposed on foreign cotton; that is, foreign long-staple cotton coming into the United States to make it competitive in this country with our domestically grown long-staple cotton.

He points out that while the United States is relatively a large supplier of short-staple cotton on the world market, that if we exported all of our exportable surplus long-staple cotton we would only provide about 10 percent of the world's consumption in the export movement of long-staple cotton, and that, therefore, subsidizing the export of our surplus long-staple cotton into the world markets would not have any appreciable effect on the markets of other countries.

With your permission, Mr. Chairman, I would like to have Mr. Shaw's full letter go into the record at this point.

Mr. GATHINGS. Without objection, that will be incorporated in the record at this point.

(The document referred to follows:)

E. A. SHAW & Co., INC.,  
Boston, Mass., April 29, 1960.

Re H.R. 11144 to extend through 1961 the 1960 national marketing quota for extra long staple cotton.

HON. HAROLD D. COOLEY,  
Chairman, Committee on Agriculture,  
House of Representatives, Washington, D.C.

DEAR MR. COOLEY: It was a pleasure and most reassuring to receive your personal reply of April 11 to my letter of the 5th on the above legislation. I wish to thank you very much for your consideration.

Although opposing the passage of H.R. 11144 in its present form, I am in the last part of this letter suggesting an amendment to it which would do more than anything else to help the Pima farmers, liquidate CCC Pima stocks, and save the taxpayers' money.

The purpose of section 347(b) of the Agricultural Adjustment Act of 1938 was to guarantee the farmers a reasonable minimum acreage and above that minimum to adjust the size of the crop to satisfy a probable potential demand and the requirements for an adequate working stock.

H.R. 11144 and S. 3294 would make 64,800 bales the national marketing quota of domestic extra long staple Pima cotton for the 1960 and 1961 crops. This would abrogate for 1961 the economic policing effect of section 347(b) of the Agricultural Adjustment Act of 1938. A similar bill has already been passed for the 1960 crop and acreage allotments granted in accordance. Why was the 1960 crop included in H.R. 11144 and S. 3294 if the previous passed bill was constitutionally legal?

The aim of the attached comparative statistics is to enable one, first, to understand the present economic position of domestic extra long staple Pima cotton, and, secondly, to project the probable results from producing in 1960 64,800 bales and in 1961 64,800 bales.

It has been intimated by the proponents of this legislation that annual consumption of foreign and domestic extra long staple cotton is around 150,000 bales. That this is at least 20,000 bales too high seems apparent from the fact that the import quota for extra long staple cotton is 82,500 bales and the Census Bureau reports consumption for domestic Pima for the past two cotton seasons has averaged 44,876 bales and to date this season is running at an annual rate of 40,981 bales.

It has been rumored that the actual domestic consumption of Pima has been greater than reported by the Census Bureau. That any such error has had no important statistical results is easily demonstrated by the attached comparative statistics showing—

- (1) The movement of Pima in and out of CCC stocks and resulting stocks.
- (2) A check of the Census Bureau's consumption figures by comparing



their reported carryover figures with carryover figures computed by subtracting the sum of exports and the Census Bureau's questioned consumption figures from the total seasons' supply of Pima.

One should note that during the two preceeding cotton seasons, new entries into the CCC stocks have materially exceeded sales from these stocks thereby drastically increasing the CCC Pima inventory. To date this season, CCC sales have just about equaled the unredeemed Pima loans to farmers of which the CCC has not yet taken title.

However during this period and particularly to date this season, there has been a marked change in the qualities comprising the CCC inventory. Almost all No. 4 grade and lower qualities have been sold and have been replaced by higher grades priced substantially higher than the lower grades. For example, No. 2 grade is priced some 10 cents per pound or \$50 per bale higher than No. 5 grade. Farmers have therefore sold their low grades and turned their high grades over to the CCC where such cottons have been frozen by the noncompetitive high price which the CCC has to ask for them.

To continue to grow Pima crops exceeding the potential demand will only compound the future damage to Pima farmers from excessively large Pima stocks. If price supports should be removed, these excessive stocks would result in ruinously low prices to the farmers. No plan has been promoted to liquidate successfully either our present excess stocks of extra long staple cotton or those that apparently will be produced if H.R. 1144 and S. 3294 are passed.

May I respectfully urge that, therefore, such legislation be not passed or, if Congress desires to do so, that it be amended in such a form as to require the Secretary of Agriculture to establish and maintain a Pima export subsidy that will permit domestically grown Pima to be sold for export at competitive world prices for extra long staples; and that an additional compensatory duty shall be imposed on imports of foreign textiles made from extra long staple cottons.

The current CCC Pima inventory is less than 10 percent of the annual world production of extra long staple cotton.

We have seen how successful has been the use of an export subsidy in promoting the export of American upland cotton. Foreign competitors have objected because American exports of upland cotton comprise a substantial percentage of the world exports of short cotton.

However, neither the CCC inventory of extra long staple cotton nor that portion of our annual production of such cotton that would be available for export is as much as 10 percent of the world exports of extra long staple cottons. Therefore the exportation of any American extra long staple cotton will have no appreciable detrimental effect on the marketing of other countries' crops of similar cotton.

It is most probable that the import duty now assessed on importations of foreign extra long staple would reimburse the Treasury for from 40 to 80 percent of cost of subsidizing the exportation of 40,000 bales based on current price differentials. (Duty receipts on foreign extra long staple cotton imports are estimated at \$1,338,750 consisting of \$105,000 at \$8.75 per bale on 12,000 bales and \$1,233,750 at \$17.50 per bale on 70,500; \$1,338,750 is equivalent to about \$6.70 per pound on 40,000 bales.)

I contend that subsidizing exports of American extra long staple cotton will have negligible economic and psychological effects on our relations with such foreign producers of similar cotton as Egypt, Sudan, and Peru, whereas, were we to abolish or drastically reduce our import quota, they would consider it as a definite blow to their relations with the United States. It should also be borne in mind that the quality of the Pima we would probably export is likely to be of superior spinning value to that of a considerable portion of the foreign extra long staple cotton that we import. Hence our exports may fetch relatively higher prices than the equivalent foreign prices for such lower quality foreign cottons as we may import.

Sincerely yours,

W. K. SHAW, Jr.

Mr. GATHINGS. The subcommittee will now go into executive session. (Whereupon, at 12 o'clock, the committee proceeded into executive session.)



## LEGISLATIVE HISTORY

Public Law 86-566  
H. R. 12115

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## INDEX AND SUMMARY OF H. R. 12115

Mar. 14, 1960	Rep. Rhodes, Ariz., introduced H. R. 11144 which was referred to the House Agriculture Committee. Print of bill.
May 6, 1960	Rep. Gathings introduced H. R. 12115 which was referred to the House Agriculture Committee. Print of bill.
May 13, 1960	House subcommittee voted to report H. R. 12115 to the full committee.
May 26, 1960	House committee voted to report (but did not actually report) H. R. 12115
June 1, 1960	House committee reported H. R. 12115 without amendment. H. Report No. 1729. Print of bill and report.
June 6, 1960	House passed H. R. 12115 without amendment.
June 7, 1960	H. R. 12115 was referred to the Senate Agriculture and Forestry Committee. Print of bill as referred.
June 15, 1960	Senate committee voted to report (but did not actually report) H. R. 12115.
June 16, 1960	Senate committee reported H. R. 12115 without amendment. S. Report No. 1599. Print of bill and report.
June 18, 1960	Senate passed H. R. 12115 without amendment.
June 30, 1960	Approved: Public Law 86-566.





DIGEST OF PUBLIC LAW 86-566

EXTENSION OF MINIMUM EXTRA-LONG STAPLE COTTON QUOTA. Amends the Agricultural Adjustment Act of 1938 so as to provide that the 1961 national marketing quota for extra-long staple cotton shall not be less than 90 percent of the 1959 national marketing quota for such cotton, thus establishing the same minimum national quota of 66,590 bales for the 1961 crop of extra-long staple cotton as that established for the 1960 crop.









# H. R. 11144

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 1960

Mr. RHODES of Arizona introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 That section 347 (b) of the Agricultural Adjustment Act  
4 of 1938, as amended, is amended by changing the provision  
5 in the last sentence to read as follows:

6 *“Provided, however, That the national marketing quota*  
7 *for the 1960 and 1961 crops of such cotton shall be not less*  
8 *than 90 per centum of the 1959 marketing quota for such*  
9 *cotton.”*



86TH CONGRESS  
2d Session

H. R. 11144

## A BILL

To extend the minimum national marketing  
quota for extra long staple cotton to the 1961  
crop.

By Mr. Rhoads of Arizona

March 14, 1960

Referred to the Committee on Agriculture







86TH CONGRESS  
2D SESSION

# H. R. 12115

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## IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1960

Mr. GATHINGS introduced the following bill; which was referred to the Committee on Agriculture

---

## A BILL

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 347 (b) of the Agricultural Adjustment Act of  
4       1938, as amended, is amended by amending the proviso in  
5       the last sentence to read as follows: "*Provided, however,*  
6       That the national marketing quota for 1960 and 1961 crops  
7       of such cotton shall be not less than 90 per centum of the  
8       1959 marketing quota for such cotton."

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86TH CONGRESS  
2D SESSION

**H. R. 12115**

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## **A BILL**

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

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By Mr. GATHINGS

MAY 6, 1960

Referred to the Committee on Agriculture







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE  
  
(For Department  
Staff Only)

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House subcommittee voted to report bill to extend minimum national extra long staple cotton quota. Senate received President's veto message on depressed areas bill. Sen. Dirksen inserted Secretary's Chicago speech.

## SENATE

1. DEPRESSED AREAS. Received the President's veto message of S. 722, the depressed areas bill (pp. 9569-70). With respect to Federal loans for the construction of industrial buildings in rural areas, the message includes the following statement: "S.722 would make a minimum of 600 rural counties eligible for Federal loans for the construction of industrial buildings in such areas. The rural development program and the Small Business Administration are already contributing greatly to the economic improvement of low income rural areas. Increasing the impact of these two activities, particularly the rural development program, is a preferable course."

Sen. Douglas criticized the veto of the bill as "another example of callous indifference on the part of the present administration toward depressed communities and unemployed men and women." pp. 9570-3

2. SURPLUS COMMODITIES; MILITARY HOUSING. Passed with amendments H. R. 10777, the military construction bill (pp. 9529-57, 9561-4). Conferees were appointed. The report of the Armed Services Committee, on this bill, includes the following statements:

"Section 511...will require the use of foreign currencies acquired by the Commodity Credit Corporation pursuant to the provisions of the Agriculture Trade Development and Assistance Act of 1954 for the construction or acquisition of any family housing project or community facility in any foreign country unless specifically excepted..."

"The committee has been informed that beginning this year, direct appro-

priations (classed as 'currency restricted' appropriation) will be utilized to reimburse the Commodity Credit Corporation for foreign currencies at the time they are used. Further use will not be made of reimbursement from quarters allowances withheld from occupants of the housing, as authorized by section 407 of Public Law 83-765, as amended. For this reason, authorization for appropriations for surplus commodity housing projects is requested in the bill in the same manner as for other appropriated fund projects."

3. RURAL LIBRARIES. The Labor and Public Welfare Committee voted to report (but did not actually report) with amendment S. 2830, to amend the Library Services Act so as to extend for 5 years the authorization for appropriations. p. D413
4. FOREIGN AFFAIRS. The Foreign Relations Committee reported without amendment S. 3074, to provide for participation of the United States in the International Development Association (S. Rept. 1349). p. 9498
5. RESEARCH. The Interstate and Foreign Commerce Committee reported without amendment S. 1235, to authorize the Secretary of Commerce to enter into contracts for the conduct of research in the field of meteorology (S. Rept. 1348). p. 9498
6. FARM PROGRAM. Sen. Dirksen inserted Secretary Benson's speech in Chicago before the National Restaurant Association discussing various aspects of the farm program. pp. 9519-21  
Sen. Dirksen inserted the recommendations of the Democratic Advisory Council with respect to agricultural policy, and the statement of the Secretary commenting on these recommendations. pp. 9521-2
7. SURPLUS GRAIN. Received from the Secretary of the Interior a proposed bill to "authorize the use of surplus grain by the States for emergency use in the feeding of resident game birds and other wildlife"; to Interstate and Foreign Commerce Committee. p. 9498
8. PERSONNEL. Received from the Attorney General a proposed bill to "amend section 507 of the Classification Act of 1949, as amended, with respect to the preservation of basic compensation in downgrading actions"; to Post Office and Civil Service Committee. p. 9498  
Sen. Morse inserted his statement before the Senate Post Office and Civil Service Committee urging a pay increase for Federal employees. p. 9504
9. ADJOURNED until Mon., May 16. p. 9574

HOUSE

10. COTTON. The Cotton Subcommittee of the Agriculture Committee ordered reported ~~to the full committee H. R. 11049, to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage; H. R. 11646, provide a penalty for violation of the cotton classing law; and H. R. 12115, to extend the minimum national marketing quota for extra-long staple cotton to the 1961 crop.~~ p. D413
11. PROPERTY. The Public Works subcommittee ordered reported to the full committee H. R. 11522, to permit certain U. S. property to be conveyed to States, municipalities, and other political subdivisions for highway purposes. p. D414







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

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HIGHLIGHTS: House committee voted to report bill to extend minimum national quota for extra long staple cotton. Senate voted to recommit Navy oleomargarine bill to committee. Senate passed bill to establish commission to study problems in rural counties. House received conference report on Treasury-Post Office appropriation bill. Rep. Judd introduced and discussed bill to revise method of making certain payments under grain storage agreements. House received supplemental appropriation estimate for FAS foreign market development.

## HOUSE

1. APPROPRIATIONS. Received from the President a supplemental estimate to implement the program and promote the growth of United States export trade, as set forth in his March 17, 1960 message to Congress. The estimate includes \$500,000 for the Foreign Agricultural Service, for agricultural market development and trade promotion activities in foreign countries and necessary support in the U. S. Of this amount, \$330,000 would be a direct appropriation and \$170,000 would be derived by transfer from funds appropriated by Section 32 of the Act of August 24, 1935 ("Removal of Surplus Agricultural Commodities"). The estimate also includes items for other Departments (H. Doc. 400). pp. 10519-20
2. TREASURY-POST OFFICE APPROPRIATION BILL, 1961. Received the conference report on this bill, H. R. 10569 (H. Rept. 1665). pp. 10518-9, 10520



3. COTTON; ACREAGE ALLOTMENT; FRUITS. The Agriculture Committee voted to report (but did not actually report) the following bills: p. D470

H. R. 12115, to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop;

H. R. 11646, with amendment, to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision;

H. R. 11049, to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage (the "Daily Digest" states that this bill was amended, with instructions to the chairman to introduce a clean bill);

H. R. 12341, with amendment, relating to the extension of the existing restrictions on imported commodities to lemons, oranges, figs, dates, and walnuts.

4. PUBLIC BUILDINGS. Received the approval of the Public Works Committee on the prospectus for several public buildings. p. 10498

5. PERSONNEL. The Education and Labor Committee voted to report (but did not actually report) H. R. 12383, to amend the Federal Employees' Compensation Act to make benefits more realistic in terms of present wage rates. p. D470

6. WILDLIFE; RESEARCH. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) H. R. 11502 (amended and a clean bill is to be introduced), to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls, and S. 1781, to provide for cooperative unit programs of research, education, and demonstration in fish and wildlife management between the Federal Government and U. S. colleges and universities, the several States and Territories, and private organizations. p. D471

7. MUTUAL SECURITY. Rep. Conte criticized Rep. Passman's recent statements calling for large cuts in this nation's foreign aid programs, calling them untimely in light of recent international developments. pp. 10515-7

#### SENATE

8. OLEOMARGARINE. Debated S. 2168, to amend the Navy ration statute so as to permit the serving of oleomargarine or margarine (pp. 10344, 10346, 10348-9, 10358-63, 10388). By a vote of 48 to 32, agreed to an amendment by Sen. Proxmire to provide that no oleomargarine or margarine shall be acquired for use by the Navy unless the Secretary of Agriculture certifies that no purchases of milk or dairy products have been or are intended to be made for supporting the price of milk or butterfat, and that acquisition of oleomargarine or margarine will not cause or contribute to a surplus of milk or dairy products, but provided that limited supplies of oleomargarine or margarine may be acquired for use in special operations where the use of butter would be impractical, and provided that this amendment shall not be construed as prohibiting the disposition of any unused stocks of oleomargarine or margarine by any means other than by serving as a component of the Navy ration (pp. 10344, 10346, 10348-9, 10358-63). Agreed to a motion by Sen. Thurmond to recommit the bill to the Armed Services Committee (p. 10388).

9. RURAL AREAS. Passed with amendment S. 3140, to provide for the establishment of a Commission on Problems of Small Towns and Rural Counties. pp. 10388-9







to develop new methods of controlling insects and other pests of plants and animals so as to avoid pesticide and other chemical residues, and to develop biological methods of pest control which will not create residue hazards.  
p. 10784

14. COTTON. The Agriculture Committee reported with <sup>out</sup> amendment H. R. 12115, to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop (H. Rept. 1729), ~~and with amendment H. R. 11646, to amend the act~~ authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision (H. Rept. 1737). p. 10785
15. FRUITS AND NUTS. The Agriculture Committee reported with amendment H. R. 12341, relating to the extension of the existing restrictions on imported commodities to lemons, oranges, figs, dates, and walnuts (H. Rept. 1734). p. 10785
16. TREASURY-POST OFFICE APPROPRIATION BILL, 1961. Agreed to the conference report on this bill, H. R. 10569, and agreed to insist on its disagreement to a Senate amendment to limit the use of the Congressional frank. pp. 10742-4
17. RECLAMATION. Passed as reported S. 1892, to authorize the Secretary of the Interior to construct, operate, and maintain the Norman reclamation project, Okla. (pp. 10753-70). Earlier a Rules Committee resolution for the consideration of this bill had been agreed to (pp. 10753-7).
18. INFORMATION. The Foreign Affairs Committee reported without amendment S. Con. Res. 75, favoring the active participation by Federal agencies in the Fifth International Congress on High-Speed Photography to be held in Washington, D. C. in 1960 (H. Rept. 1733). p. 10785
19. SUGAR; ACREAGE ALLOTMENTS; LAND GRANT COLLEGES. The Agriculture Committee voted to report (but did not actually report) the following bills: p. D486  
H. R. 12311, with amendment, to extend the Sugar Act of 1948;  
H. R. 12420 (a clean bill introduced in lieu of H. R. 11049), to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage allotments;  
H. R. 10876, to increase the authorized appropriation for resident teaching grants to land grant institutions.
20. SMALL BUSINESS; DEFENSE PRODUCTION. The Banking and Currency Committee voted to report (but did not actually report) the following bills: p. D486  
H. R. 11207, to amend the Small Business Act so as to authorize an additional \$150,000,000 for loans to small business, and to make other technical amendments in the act;  
H. R. 12052, to extend the Defense Production Act of 1950 for 2 additional years.
21. WATER RESOURCES. The Public Works Committee voted to report (but did not actually report) H. R. 9999, granting the consent and approval of Congress to the Northeastern Water and Related Land Resources Compact. p. D488
22. INTEREST RATES. Rep. Patman inserted and commented on a letter dealing with interest rates, and one dealing with payment of the national debt. pp. 10772-4

23. DEPRESSED AREAS. Rep. Widnall inserted a comparison between two depressed areas bills pending in Congress "that are supported by the administration," and the recently vetoed depressed areas bill. pp. 10781-2
24. LEGISLATIVE PROGRAM. The "Daily Digest" states that on Thur., June 2, the House will consider H. R. 10572, the multiple uses forestry management bill, and H. R. 11761, relating to the consolidation of Farmers Home Administration loan authority. p. D486

#### ITEMS IN APPENDIX

25. SMALL BUSINESS. Extension of remarks of Rep. McDowell stating that "the family farmer and the farsighted labor leader both have an enormous, but often unrecognized, stake in the well-being of the small businessman," and inserting a letter to the editor of Harper's magazine discussing their article, "How Small Business Cuts Its Throat." pp. A4623-4
26. AMERICAN SAMOA. Extension of remarks of Sen. Long, Hawaii, inserting the constitution of American Samoa and stating that "it provides a legal basis for a changing society ..." pp. A4624-8
27. ELECTRIFICATION. Rep. Porter inserted an address by S. L. Descartes, P. R., Water Resources Authority, "Electric Power: Key to Progress for the Underdeveloped Countries." pp. A4671-3

#### BILLS INTRODUCED

28. SUGAR. H. R. 12461, by Rep. Hoeven, to amend the Sugar Act of 1948, as amended, for 1 year and to authorize Presidential action during the time Congress is not in session if such action is in the national interest or is necessary to insure an adequate supply of sugar; to Agriculture Committee.
29. SALINE WATER. H. R. 12462, by Rep. Holifield, to expand and extend the saline water conversion program under the direction of the Secretary of the Interior to provide for accelerated research, development, demonstration, and application of practical means for the economical production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses; to Interstate and Foreign Commerce Committee.
30. WILDLIFE. H. R. 12463, by Rep. King, Utah, to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls; to Merchant Marine and Fisheries Committee.
31. PERSONNEL. H. R. 12466, by Rep. Cohelan, to amend the Federal Employees Compensation Act to make benefits more realistic in terms of present wages rates; to Education and Labor Committee.
32. COMPACT. H. R. 12467, by Rep. McCormack, granting the consent and approval of Congress to the northeastern water and related land resources compact; to Public Works Committee.



## LONG STAPLE COTTON

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JUNE 1, 1960.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. COOLEY, from the Committee on Agriculture, submitted the following

### R E P O R T

[To accompany H.R. 12115]

The Committee on Agriculture, to whom was referred the bill (H.R. 12115) to extend the minimum national marketing quota for extra-long staple cotton to the 1961 crop, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE OF THE BILL

The purpose of this bill is to provide that the marketing quota for long staple cotton shall be the same for the 1961 crop as for the 1960 crop. This will prevent a reduction of approximately 50 percent in the acreage of long staple cotton which would otherwise take place in 1961, in spite of the fact that the United States produces less of this commodity than it consumes each year.

#### NEED FOR THE LEGISLATION

Although the United States produces only about half of its annual requirements for long staple cotton, domestic producers are faced with this severe cut in their acreage because foreign long staple cotton is permitted to come into the United States in sufficient quantity to fill approximately two-thirds to four-fifths of our domestic requirements. Following a hearing last year, the Tariff Commission by a vote of 3 to 2 declined to recommend a reduction in import quotas.

Representatives of consuming mills and producers are now conducting a thorough study of the problem of long staple cotton to try to work out a sound program for it. It is understood that this report will be completed about September 1, 1960, and it is hoped that an equitable and permanent solution of this vexing problem may then be worked out. In the meantime, this committee believes that the



producers of this important commodity deserve the protection afforded by this bill.

## COST

Stocks of long staple cotton held by CCC are gradually being liquidated at market prices. The only additional cost involved in this legislation would be the possibility of loss to CCC in carrying out the price-support program in 1961.

Hearings were held on the bill herewith reported and on an identical bill (H.R. 11144) by Mr. Rhodes of Arizona. Representatives of cotton producers, the National Cotton Council, and the American Farm Bureau Federation, appeared in support of the legislation. There were no witnesses in opposition to it.

## DEPARTMENTAL POSITION

Enactment of this legislation is recommended by the following letter from the Department of Agriculture reporting favorably on the identical bill (H.R. 11144).

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., May 11, 1960.

HON. HAROLD D. COOLEY,  
*Chairman, Committee on Agriculture,  
House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is in reply to your request of March 17, 1960, for a report on H.R. 11144, a bill to extend the minimum national marketing quota for extra-long staple cotton to the 1961 crop.

The Department favors the enactment of this bill.

The bill changes the proviso in the last sentence of section 347(b) of the Agricultural Adjustment Act of 1938, as amended, to provide that the 1961 national marketing quota for extra-long staple cotton shall not be less than 90 percent of the 1959 national marketing quota for such cotton. This would establish the same minimum national quota for the 1961 crop of such cotton as that established for the 1960 crop under Public Law 86-341.

The 1959 national marketing quota for extra-long staple cotton was 73,989 bales. The 1960 national marketing quota for this cotton was 66,590 bales. If this bill is approved the 1961 national marketing quota would be 66,590 bales. Under present law the 1961 national marketing quota for such cotton would probably be around 36,000 bales. Such an abrupt reduction would have a very adverse effect on the producers of this cotton.

On August 1, 1959, the Commodity Credit Corporation owned 71,328 bales of extra-long staple cotton and had an additional 40,709 bales of stockpile cotton available for sale, making a total of 112,037 bales. On March 11, 1960, the Commodity Credit Corporation owned 54,209 bales of this cotton, had made loans on 28,442 bales of 1959 crop cotton, and had 34,407 bales of stockpile cotton available for sale, making a total of 117,058 bales. Thus, there has been only a small increase in CCC stocks during the current marketing year. By August 1, 1960, CCC stocks of this cotton are expected to be as low or lower than a year earlier.

Our domestic producers of extra-long staple cotton have voluntarily accepted a lower price-support level than producers of most other price-supported commodities. In addition to the 10-percent reduction in quotas from 1959 to 1960, under present law it appears that domestic producers of extra-long staple cotton would be required to reduce their operations about 45 percent from 1960 to 1961. We do not feel that our domestic producers should be required to make such a drastic reduction.

Representatives of consuming mills and the producers of extra-long staple cotton are jointly sponsoring a thorough study of price levels at which such cotton can be made competitive and other matters relating to development of a sound program for such cotton. They have employed an independent economist to make this study and it is understood that his report will be completed by about September 1, 1960.

Extra-long staple cotton grown in this country is currently more nearly competitive pricewise with foreign competitive growths than was the case last year. Therefore, in view of the study now being made and the fact that stocks of this cotton available for sale by CCC on August 1, 1960, are expected to be as low or lower than on August 1, 1959, it is felt that this bill proposes a satisfactory solution for the 1961 crop.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

#### AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

\* \* \* \* \*

#### LONG STAPLE COTTON

SEC. 347. (a) Except as otherwise provided by this section, the provisions of the Part shall not apply to extra long staple cotton which is produced from pure strain varieties of the *Barbadense* species, or any hybrid thereof, or other similar types of extra long staple cotton designated by the Secretary having characteristics needed for various end uses for which American upland cotton is not suitable, and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of such varieties or types.

(b) Whenever during any calendar year, not later than October 15, the Secretary determines that the total supply of cotton described in subsection (a) for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such

cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of cotton described in subsection (a) adequate to make available a normal supply of cotton, taking into account (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year: *Provided*, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks. The national marketing quota for cotton described in subsection (a) for any year shall not be less than the larger of thirty thousand bales or a number of bales equal to 30 per centum of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed: **[***Provided, however*, That the national marketing quota for the 1960 crop of such cotton shall not be less than 90 per centum of the 1959 marketing quota for such cotton.**]** *Provided, however*, That the national marketing quota for 1960 and 1961 crops of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton.

(c) All provisions of this Act, except section 342, subsection (h), (k), and (l) of section 344, the parenthetical provisions relating to acreages regarded as having been planted to cotton, and the provisions relating to minimum small farm allotments, shall, insofar as applicable, apply to marketing quotas and acreage allotments authorized by this section: *Provided*, That the applicable penalty rate for such cotton under section 346 shall be the higher of 50 per centum of the parity price or 50 per centum of the support price for extra long staple cotton as of the date specified therein.

(d) Unless marketing quotas are in effect under subsection (b) of this section, the penalty provisions of section 346 shall not apply to any cotton the staple of which is one and one-half inches or more in length.

(e) The exemptions authorized by subsections (a) and (d) of this section shall not apply unless (1) the cotton is ginned on a roller-type gin or (2) the Secretary authorizes the cotton to be ginned on another type gin for experimental purposes or to prevent loss of the cotton due to frost or other adverse condition.





Union Calendar No. 759

86<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 12115

[Report No. 1729]

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## IN THE HOUSE OF REPRESENTATIVES

MAY 6, 1960

Mr. GATHINGS introduced the following bill; which was referred to the Committee on Agriculture

JUNE 1, 1960

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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## A BILL

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

- 1      *Be it enacted by the Senate and House of Representa-*  
2      *tives of the United States of America in Congress assembled,*  
3      That section 347 (b) of the Agricultural Adjustment Act of  
4      1938, as amended, is amended by amending the proviso in  
5      the last sentence to read as follows: "*Provided, however,*  
6      That the national marketing quota for 1960 and 1961 crops  
7      of such cotton shall be not less than 90 per centum of the  
8      1959 marketing quota for such cotton."

86TH CONGRESS  
2D Session

**H. R. 12115**

[Report No. 1729]

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**A BILL**

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To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

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By Mr. GATHINGS

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MAY 6, 1960

Referred to the Committee on Agriculture

JUNE 1, 1960

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June 6, 1960

12. FARM CREDIT. Passed without amendment S. 2977, to amend the Farm Credit Act of 1933 to provide for increased representation by regional banks for cooperatives on the Board of Directors of the Central Bank for Cooperatives. This bill will now be sent to the President (pp. 11076-6). Earlier a similar House bill H. R. 10310 had been passed on the call of the Consent Calendar (p. 11064). After passing S. 2977, the companion bill, H. R. 10310, was tabled (p. 11076).
13. COTTON. Passed without amendment H. R. 12115, to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop. p. 11071  
Passed as reported H. R. 11646, to amend the Act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton by defining, and providing penalties for, improper sampling of cotton for classification. p. 11072
14. HIGHWAYS. Passed without amendment H. R. 11522, to permit certain real property of the U. S. to be conveyed to States, municipalities, and other political subdivisions for highway purposes. p. 11065
15. PROPERTY. Passed over at the request of Rep. Aspinall H. R. 9996, to prescribe procedures to insure that foreign excess property which is disposed of overseas will not be imported into the U. S. to the injury of the economy of this country. p. 11067
16. SMALL BUSINESS. Passed under suspension of rules H. R. 11207, to amend the Small Business Act so as to authorize an additional \$150,000,000 for loans to small business. pp. 11074-5
17. DEFENSE PRODUCTION. Passed under suspension of rules H. R. 12052, to extend the Defense Production Act of 1950, as amended, for an additional two years. p. 11076
18. INFORMATION. Passed without amendment Senate Concurrent Resolution 75, favoring the active participation by Federal agencies in the Fifth International Congress on High-Speed Photography to be held in Washington, D. C., in 1960. p. 11071
19. LANDS. The Departmental Oversight and Consumer Relations Subcommittee of the Agriculture Committee voted to report to the full committee the following bills:  
p. D509  
S. 2772, to authorize the Secretary of Agriculture to convey a tract of forest land in the town of Cascade, El Paso County, Colo.  
H. R. 10700, to provide for the removal of restriction on use with respect to certain former Soil Conservation Service lands in Morton County, N. Dak., conveyed to N. Dak. on July 20, 1955.
20. WILDLIFE. A subcommittee of the Judiciary Committee voted to report to the full committee H. R. 10589, to restrict the importation or shipment of injurious mammals, birds, amphibians, fish and reptiles, and the transportation or receipt of wild animals or birds taken in violation of State, National or foreign laws. p. D511

ITEMS IN APPENDIX

21. ELECTRIFICATION. Extension of remarks of Sen. Jackson inserting an "outstanding statement on the public responsibility of the electric power industry, privately and publicly owned." pp. A4759-61

22. FARM LABOR. Extension of remarks of Sen. Williams, N. J., favoring legislation "intended to end hardship and injustice facing the migrant worker in the United States today," and inserting excerpts from a report offering recommendations for future action. pp. A4777-9
23. PERSONNEL. Rep. Rees inserted an address by Roger W. Jones, U. S. Civil Service Commission, "What Is the Leadership Role of the Personnel Officer?" pp. A4792-4

BILLS INTRODUCED

24. PERSONNEL. S. 3629, by Sen. Kefauver, to amend the Civil Service Retirement Act to include as creditable service certain service performed in Federal-State cooperative programs financed in whole or in part by Federal funds; to Post Office and Civil Service Committee.  
H. R. 12522, by Rep. Rhodes, Ariz., to provide annuities payable from the civil service retirement and disability fund in additional cases for certain widows and widowers by reducing the required period of marriage from 5 years to 2 years; to Post Office and Civil Service Committee.
25. PUBLIC DEBT. H. R. 12515, by Rep. Collier, to provide that until the national debt is retired, not less than 10 percent of the net budget receipts of the United States for each fiscal year shall be utilized solely for reduction of the national debt; to Government Operations Committee.
26. HEALTH. H. R. 12520, by Rep. McMillan, to amend the act of August 11, 1935, so as to authorize Group Hospitalization, Inc., to enter into contracts with certain dental hospitals for the care and treatment of individuals; to District of Columbia Committee.
27. TRANSPORTATION. H. R. 12521, by Rep. Multer, to protect the position of the Government under Government-insured ship mortgages and to prevent unfair competition in the carriage of cargo-preference shipments by certain vessels having Government-insured ship mortgages; to Merchant Marine and Fisheries Committee.
28. WATER RESOURCES. S. 3625, by Sen. Hartke, to establish a Wabash Basin Inter-agency Water Resources Commission; to Public Works Committee. Remarks of author. p. 10999
29. WHEAT ALLOTMENT. S. 3626, by Sen. Schoeppel, to amend subsection (b) of section 334 of the Agricultural Adjustment Act of 1938, as amended; to Agriculture and Forestry Committee.
30. FISHERIES. S. 3631, by Sen. Magnuson (by request), to facilitate administration of the fishery loan fund established by section 4 of the Fish and Wildlife Act of 1956; to Interstate and Foreign Commerce Committee. Remarks of author. p. 10999
31. PUBLIC WORKS. S. J. Res. 202, by Sen. Dirksen, providing for the designation of the week commencing October 2, 1960, as National Public Works Week; to Judiciary Committee.

BILL APPROVED BY THE PRESIDENT

32. WATER COMPACT. S. 1605, granting the consent of Congress to the States of Kansas and Nebraska to negotiate and enter into a compact relating to the



withstanding any other provision of law, no part of the compensation for the property taken by the act of September 2, 1958 (72 Stat. 1762, Public Law 85-915), shall be subject to any lien, debt, or claim of any nature whatsoever against the Standing Rock Sioux Tribe or individual Indians entitled to the compensation except delinquent debts owed by the tribe to the United States: *Provided*, That upon determination by the Secretary of the Interior that no hardship to the individual Indian debtor will result from the payment of delinquent debts, such compensation shall be subject to delinquent debts (1) which are less than 6 years old on the date of this Act, and (2) which are owing to the United States or to the tribe by the individual Indian entitled to the compensation for the property taken.

With the following committee amendment:

Page 2, lines 4 and 5, strike out the words "(1) which are less than 6 years old on the date of this act, and (2)".

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended to read: "A bill concerning payment of debts out of compensation for trust land on the Standing Rock Sioux Reservation taken by the United States."

A motion to reconsider was laid on the table.

#### LONG STAPLE COTTON

The Clerk called the bill (H.R. 12115) to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 347(b) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the proviso in the last sentence to read as follows: "*Provided, however*, That the national marketing quota for 1960 and 1961 crops of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### PARTICIPATION BY FEDERAL AGENCIES IN THE FIFTH INTERNATIONAL CONGRESS ON HIGH-SPEED PHOTOGRAPHY

The Clerk called Senate Concurrent Resolution 75.

There being no objection, the Clerk read the Senate concurrent resolution, as follows:

Whereas photographic techniques which can magnify the time scale of scientific phenomena are extremely important to the research and engineering activities of every nation; and

Whereas the First International Congress on High-Speed Photography was held in Washington, District of Columbia, in 1952, having been organized and conducted under the sponsorship of the Society of Motion Picture and Television Engineers; and

Whereas subsequent meetings were held at two-year intervals in Paris, France; Lon-

don, England; and Cologne, Germany; and in each instance these meetings have received the recognition and the support of the governments of the respective host countries; and

Whereas, with each meeting, the International Congress on High-Speed Photography has grown in stature and in prestige; and

Whereas the Society of Motion Picture and Television Engineers is once again sponsoring the International Congress on High-Speed Photography in Washington, District of Columbia (this fifth congress will be held in October 1960); and

Whereas the Congress is fully appreciative of the importance of assuring that this international scientific meeting is conducted in a manner which will bring credit and enhanced prestige to the United States of America as the host nation; and

Whereas it is the belief of the Congress that—

(1) the democratic environment of the free world is the best environment for achievement in science; and

(2) scientists and engineers have special advantages and opportunities to assist in achieving international understanding since the laws and concepts of science cross all national and ideological boundaries; and

Whereas the Congress is interested in (1) promoting international understanding and good will; (2) enhancing the excellence of American science, both basic and applied; and (3) furthering international cooperation in science and technology by creating the necessary climate for effective interchange of ideas: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress that all interested agencies of the Federal Government should participate actively to the greatest practicable extent in the Fifth International Congress on High-Speed Photography to be held in Washington, District of Columbia, in October 1960 under the sponsorship of the Society of Motion Picture and Television Engineers.

The Senate concurrent resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### INCREASING THE CLOSING FEE OF THE TRUSTEE IN BANKRUPTCY

The Clerk called the bill (S. 2052) to amend the Bankruptcy Act in regard to the closing fee of the trustee and in regard to the fee for the filing of a petition.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I simply want to put the Members of the House on notice that the costs of bankruptcy are going up if this bill is passed, so that we may be guided accordingly.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That the part of subdivision c of section 48 of the Bankruptcy Act (11 U.S.C. 76c) up to the first colon is amended to read as follows:

"c. TRUSTEES.—The compensation of trustees for their services, payable after they are rendered, shall be a fee of \$10 for each estate, deposited with the clerk at the time the pe-

tition is filed in each case, except when a fee is not required from a voluntary bankrupt, and such further sum as the court may allow, as follows:"

SEC. 2. That section 132 of the Bankruptcy Act (11 U.S.C. 532) is amended to read as follows:

"SEC. 132. The filing of a petition under this chapter shall be accompanied by payment to the clerk of a filing fee of \$120 if no bankruptcy proceeding is pending, otherwise \$70. Where \$120 has been paid and an adjudication is entered under this chapter, \$50 thereof shall be distributed by the clerk as in the case of a bankruptcy proceeding; but, if the proceeding under this chapter is dismissed and no order of adjudication is entered thereunder, such sum of \$50 shall be refunded to the person paying it."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### AMENDING THE BANKRUPTCY ACT RELATING TO THE TRANSMISSION OF CERTAIN DOCUMENTS

The Clerk called the bill (H.R. 7726) to amend section 678 of the Bankruptcy Act (11 U.S.C. 1078) relating to the transmission of petitions, notices, orders, and other papers to the Secretary of the Treasury in chapter XIII proceedings.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 678 of the Bankruptcy Act (11 U.S.C. 1078) is amended to read:

"SEC. 678. The court shall, in every case instituted under any provisions of this chapter, mail or cause to be mailed a copy of the notice of the first meeting of creditors to the district director of internal revenue for the district in which the court is located, and to the Comptroller General of the United States. Whenever the schedules of the debtor, or the list of creditors of the debtor, or any other papers filed in the case disclose a debt to the United States acting through any department, agency, or instrumentality thereof (except for any internal revenue obligation payable to the Secretary of the Treasury or his delegate), a notice of the first meeting shall be mailed as well to the head of such department, agency, or instrumentality."

With the following committee amendments:

On page 1, line 9, after "located" strike out the comma and the remainder of the sentence and insert a period.

On page 2, add the following new section:

"SEC. 2. Section 58e of the Bankruptcy Act, as amended (11 U.S.C. 94(e)), is amended by changing the comma following the word "located" in the first sentence thereof to a period, deleting the balance of that sentence, and substituting for the deleted portion the following new sentence:

"In cases involving a bankrupt where it clearly appears on the face of the petition that the bankrupt is or was engaged in the business of transporting persons or property, the court also shall mail, or cause to be mailed, a copy of such notice to the Comptroller General of the United States."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.



# AMENDING BANKRUPTCY ACT TO REQUIRE FILING OF CERTAIN CLAIMS AND TO LIMIT THE TIME

The Clerk called the bill (H. R. 7727) to amend sections 334, 367, and 369 of the Bankruptcy Act (11 U.S.C. 734, 767, 769) and to add a new section 335 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XI (arrangement) proceedings to the time prescribed by section 57m of the Bankruptcy Act (11 U.S.C. 93n).

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 334 of the Bankruptcy Act (11 U.S.C. 734) is amended to read as follows:

"SEC. 334. Within ten days after the petition is filed the court shall give notice by mail to the debtors, the creditors, and other parties in interest of a first meeting of creditors to be held not less than fifteen days nor more than thirty days after the date of the mailing of such notice. The last date for filing claims shall be set forth in such notice."

SEC. 2. That after section 354 of the Bankruptcy Act (11 U.S.C. 754) a new section is added to read as follows:

"SEC. 355. Where a petition is filed under section 322 of this Act, subdivision n of section 57 of this Act shall apply."

SEC. 3. That paragraph 3 of section 367 of the Bankruptcy Act (11 U.S.C. 767) is amended to read as follows:

"(3) the consideration deposited, if any, shall be distributed and the rights provided by the arrangement shall inure to the creditors affected by the arrangement whose claims (a) have been filed prior to the date of confirmation but within the time prescribed by section 355 of this chapter and are allowed or (b) have been filed after the date of confirmation but within the time prescribed by section 355 of this chapter and are allowed; and"

SEC. 4. Paragraphs (2) and (3) of section 369 of the Bankruptcy Act (11 U.S.C. 769) are amended to read as follows:

"(2) are disputed or unliquidated, have been scheduled by the debtor, and are filed within the time prescribed by section 355 of this chapter; or

"(3) arise from the rejection of executory contracts by the debtor and are filed within the time prescribed by section 355 of this chapter."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## COTTON SAMPLING FOR CLASSIFICATION

The Clerk called the bill (H.R. 11646) to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act entitled "An Act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of

cotton", approved March 3, 1927, as amended (44 Stat. 1372; 50 Stat. 62; 55 Stat. 131), is amended by inserting between section 3c and section 3d the following new sections:

"SEC. 3c-1. It shall be unlawful—

"(a) for any person sampling cotton for classification under this Act knowingly to sample cotton improperly, or to identify cotton samples improperly, or to accept money or other consideration, directly or indirectly, for any neglect or improper performance of duty as a sampler;

"(b) for any person to influence improperly or to attempt to influence improperly or to forcibly assault, resist, impede, or interfere with any sampler in the taking of samples for classification under this Act;

"(c) for any person to alter, or cause to be altered, any sample taken for classification under this Act by any means such as trimming, peeling, or dressing the sample, or by removing any leaf, trash, dust, or other material from the sample;

"(d) for any person knowingly to cause, or attempt to cause, the issuance of a false or misleading certificate or memorandum of classification under this Act by deceptive baling, handling, or sampling of cotton, or by any other means, or by submitting samples of such cotton for classification knowing that the cotton has been so baled, handled, or sampled;

"(e) for any person knowingly to submit more than one sample from the same bale of cotton for classification under this Act, except a second sample submitted for review classification;

"(f) for any person knowingly to operate or adjust a mechanical cotton sampler in such a manner that a representative sample is not drawn from each bale; and

"(g) for any person knowingly to violate any regulation of the Secretary of Agriculture relating to the sampling of cotton made pursuant to section 3c of this Act."

"SEC. 3c-2. Any person violating any provision of section 3c-1 of this Act shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000, or imprisoned not more than one year, or both.

"SEC. 3c-3. In construing and enforcing the provisions of this Act, the act, omission, or failure of any agent, officer, or other person acting for or employed by an individual, association, partnership, corporation, or firm, within the scope of his employment or office, shall be deemed to be the act, omission, or failure of the individual, association, partnership, corporation, or firm, as well as that of the person."

With the following committee amendments:

Page 3, line 8, strike out "473c" and insert "3c".

Page 3, line 16, insert "individual," before the word "association".

Page 3, line 19, insert "individual," before the word "association".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

## AMENDING TITLE 28 ENTITLED "JUDICIARY AND JUDICIAL PROCEDURE"

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 7577, to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code, to provide for the defense of suits against Federal employees arising out of their

operation of motor vehicles in the scope of their employment, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 23, strike out "Any" and insert "With the consent of the plaintiff in any".

Page 2, line 24, strike out "shall" and insert ", such action or proceeding may".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

(Mr. LANE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LANE. Mr. Speaker, the enactment of H.R. 7577, although amended by the other body, is still a step forward in securing for Government employees that protection justifiably due them when they become involved in litigation arising out of motor vehicle accidents while acting in the scope of their employment.

The purpose of this legislation was sought for a great many years. The evident unfairness of exposing drivers of Government motor vehicles to personal suits and the recovery of personal judgments for accidents arising during and out of the performance of their duties has been the basis for numerous bills for private relief which Congress has almost invariably granted.

The problems that confronted the Judiciary Committee in passing on legislation intended to remedy an unfair and unwarranted situation were many and complex. Not only were the interests and rights of the Federal Government involved and needful of protection but the rights of individuals were a matter of concern. The rights of employees as individuals and the jurisdiction of State courts over incidents of a tortious nature within a State's boundaries were matters to be considered and harmonized.

The bill that left this House to go to the other body was the subject of the careful consideration and scrutiny by the capable, able and competent members of the subcommittee each of whom, from professional competence, is learned in the law and certainly qualifies to be considered a lawyers' lawyer. As chairman of the subcommittee that worked on this legislation I can proudly assert that my distinguished colleagues on the subcommittee, the gentleman from Massachusetts [Mr. DONOHUE], the gentleman from South Carolina [Mr. ASHMORE], the gentleman from Pennsylvania [Mr. TOLL], the gentleman from Wisconsin [Mr. KASTENMEIER], the gentleman from California [Mr. KASEM], the gentleman from Ohio [Mr. HENDERSON], the gentleman from New York [Mr. LINDSAY], and the gentleman from New Jersey [Mr. CAHILL], all contributed from their vast store of legal training, knowledge, and general erudition so that this Congress can enact legislation which







# H. R. 12115

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IN THE SENATE OF THE UNITED STATES

JUNE 7, 1960

Read twice and referred to the Committee on Agriculture and Forestry

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## AN ACT

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 347 (b) of the Agricultural Adjustment Act of  
4       1938, as amended, is amended by amending the proviso in  
5       the last sentence to read as follows: "*Provided, however,*  
6       That the national marketing quota for 1960 and 1961 crops  
7       of such cotton shall be not less than 90 per centum of the  
8       1959 marketing quota for such cotton."

Passed the House of Representatives June 6, 1960.

Attest:

RALPH R. ROBERTS,

*Clerk.*

AN ACT

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

JUNE 7, 1960

Read twice and referred to the Committee on Agriculture and Forestry







June 15, 1960

8. LANDS; ELECTRIFICATION. The Government Operations Committee approved two reports, "Land Appraisal Practices, Department of Interior, Bureau of Land Management, Arizona" and "Electric Power Contract for Yellowstone National Park." p. D557
9. APPROPRIATIONS; ITEM VETO. Rep. Schwengel spoke in support of legislation to give the President authority to veto individual items in appropriation bills, and reviewed the history of the item veto as it has been used in the various States. pp. 11831-3

SENATE

10. MILK; PRICE SUPPORTS. The Agriculture and Forestry Committee reported with amendment S. 2917, to modify the price support level for milk and butterfat (S. Rept. 1592). p. 11705
11. COTTON; ACREAGE ALLOTMENTS; LAND GRANT COLLEGES. The Agriculture and Forestry Committee voted to report (but did not actually report) the following bills:  
p. D554  
H. R. 12115, to extend the present minimum national marketing quota for extra-long staple cotton to the 1961 crop;  
H. R. 11646, with amendment, to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton by defining certain offenses in connection with the sampling of cotton classification and providing a penalty provision;  
S. 3117, to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage allotments; and  
S. 3450, relating to the endowment and support of colleges of agriculture and mechanic arts, to increase the authorized appropriations for resident teaching grants to land-grant institutions.
12. PERSONNEL. The Government Operations Committee reported without amendment S. 3485, to provide for the payment of travel and transportation costs for persons selected for appointment to certain positions in the U. S. (S. Rept. 1584). pp. 11705  
The Government Operations Committee reported with amendment H. R. 766, to amend existing laws so as to modify the strict penalty provision in title 5, U. S. Code, for the use of Government-owned vehicles and aircraft for other than official purposes and give to the heads of departments or agencies the discretion of fixing the disciplinary action in any given case (S. Rept. 1587). p. 11705  
The Post Office and Civil Service Committee reported an original bill, S. 3672, to increase the salaries of Federal classified and postal employees (S. Rept. 1590). p. 11705  
The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 7758, to improve the administration of overseas activities of the Government by providing for the establishment of a coordinated and uniform system for more effectively compensating Government employees for additional costs, and for hardships and inconveniences, incident to their working assignments in overseas areas and providing for uniformity of treatment for all overseas employees to the extent justified by relative conditions of employment; and S. 3421, relating to payment of death benefits under the Federal Employees' Group Life Insurance Act. p. D555
13. FORESTRY. The Agriculture and Forestry Committee voted to report (but did not actually report) S. J. Res. 95, providing for the acceleration of the reforestation programs of the Departments of Agriculture and Interior. p. D554



Sen. Goldwater commended the Forest Service on their work in creating "a very unique playground out of land that was of little value to either the citizenry or the Forest Service" and suggested that similar programs throughout the U. S. would be of value. pp. 11712-3

14. WATERSHEDS. The "Daily Digest" states that the Agriculture and Forestry Committee approved the following watershed projects: Caney Creek, Ky.; Chippewa Creek, Ohio; Ischua Creek, N. Y.; Mill Creek, Pa.; North Broad River, Ga.; North Fork of Little River, Ky.; and West Fork, Clarks River, Ky. p. D554
15. WILDLIFE; CHEMICAL PESTICIDES. The Interstate and Foreign Commerce Committee voted to report with amendment (but did not actually report) S. 3473, requiring consultation with the Fish and Wildlife Service and appropriate State agencies prior to instituting programs using chemical pesticides in biological control. The "Daily Digest" states that this bill was amended by the substitution of the language of H. R. 12419, a similar bill which has been reported by the House. p. D555
16. DEFENSE DEPARTMENT APPROPRIATION BILL, 1961. Began debate on this bill, H. R. 11998, but deferred final consideration until today, June 16. pp. 11784-5
17. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1961. A subcommittee of the Appropriations Committee voted to report with amendments to the full committee this bill, H. R. 11389. p. D554
18. INDEPENDENT OFFICES APPROPRIATION BILL, 1961. A subcommittee of the Appropriations Committee voted to report with amendments to the full committee this bill, H. R. 11776. p. D554
19. TRANSPORTATION. The Interstate and Foreign Commerce Committee voted to report with amendment (but did not actually report) S. 3228, relating to issuance of certificates of convenience and necessity by the ICC to certain common carriers by motor vehicle. p. D555  
The Banking and Currency Committee reported with amendment S. 3278, to amend the Housing Act of 1954 to assist State and local governments and their instrumentalities in improving mass transportation services in metropolitan areas (S. Rept. 1591). p. 11705
20. BOTANICAL GARDEN. The Public Works Committee reported with amendment S. 2919, to authorize the Secretary of the Smithsonian Institution to study and investigate the desirability and feasibility of establishing a national tropical botanic garden in Hawaii (S. Rept. 1589). p. 11705
21. INFORMATION; PUBLICATIONS. The Government Operations Committee reported without amendment S. 3579, to authorize agencies of the Government of the U. S. to pay in advance for required publications (S. Rept. 1583). p. 11705  
Received a report by the Comptroller General "Refusals to the General Accounting Office of Access to Records of the Executive Departments and Agencies" (S. Doc. 108). p. 11707
22. CONTRACTS; PURCHASING. The Government Operations Committee reported with amendment S. 3487, to amend the "Anti-Kickback Statute" to extend it to all negotiated contracts (S. Rept. 1585). p. 11705
23. LANDS. Received from the Defense Department proposed legislation to provide for the withdrawal from the public domain of lands in the Ladd-Eielson, Big Delta,







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF  
BUDGET AND FINANCE

(For Department  
Staff Only)

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For actions of June 16, 1960  
86th-2d, No. 110

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HIGHLIGHTS: Senate passed housing bill which includes continuation of farm-housing loans provision. Senate committee reported bills to continue extra long staple cotton quota and to provide for advance consultation with Interior regarding pesticide use. House committee voted to introduce clean bill on amendments to Public Law 480. House debated mutual security appropriation bill. Rep. Marshall criticized program for export of nonfat dry milk. House committee voted to report bill to increase minimum wage level.

## SENATE

1. HOUSING; FARM LOANS. Passed, 64-16, with amendments S. 3670, the housing bill (pp. 11999, 12001-038). Agreed to an amendment by Sen. Capehart (concurred in by Sen. Sparkman) which "would extend the farm housing loan section to June 30, 1963, but would eliminate the \$50 million in the bill, which I think we have discovered, since the bill was written, is not particularly needed for the next year" (p. 12013).
2. DEFENSE APPROPRIATION BILL, 1961. Passed with amendments this bill, H. R. 11998. pp. 11928-38, 11943-88, 11990-1
3. COTTON. The Agriculture and Forestry Committee reported with amendment H. R. 11646, to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, by defining certain offenses in connection with the sampling of cotton for classification and

providing a penalty provision (S. Rept. 1595). p. 11894

4. EDUCATION. The Agriculture and Forestry Committee reported without amendment S. 3450, to amend section 22 (relating to the endowment and support of colleges of agriculture and the mechanic arts) of the act of June 29, 1935, to increase the appropriation authorization for resident teaching grants to land-grant institutions (S. Rept. 1596). p. 11894
5. FOREST LANDS. The Agriculture and Forestry Committee reported without amendment S. 3665, to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway (S. Rept. 1597). p. 11894

MARKETING QUOTAS.

6. ACREAGE ALLOTMENTS. The Agriculture and Forestry Committee reported with amendment S. 3117, to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage (S. Rept. 1598).

The Committee reported without amendment H. R. 12115, to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop (S. Rept. 1599). p. 11894

7. FISH AND WILDLIFE; PESTICIDES. The Interstate and Commerce Committee reported with amendments S. 3473, to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls (S. Rept. 1601). p. 11894
8. LEGISLATIVE APPROPRIATION BILL, 1961. The Appropriations Committee reported with amendments this bill, H. R. 12232 (S. Rept. 1606). p. 11894
9. HOUSING; METROPOLITAN AFFAIRS. The Banking and Currency Committee reported with amendment S. 3292, to provide for the establishment of a Department of Housing and Metropolitan Affairs (S. Rept. 1607). p. 11894
10. PERSONNEL. <sup>Both Houses</sup> received from the Commerce Department a proposed bill to authorize an additional Assistant Secretary of Commerce; to Interstate and Foreign Commerce Committees. pp. 11893, 11891
11. PUBLIC LANDS Subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration S. J. Res. 95, to accelerate reforestation programs; H. R. 9142, to pay for lands heretofore conveyed to the U. S. as a basis for lieu selections; H. R. 8740, to provide for leasing oil and gas interests in certain U. S. lands to Texas; S. 2806, to revise Coronado Memorial boundaries; S. 2959, to clarify State rights to select certain public lands subject to any outstanding mineral lease or permit; and S. 3434, to facilitate Alaska's selection of certain public lands. p. D561
12. RECLAMATION. Sen. Young, N. Dak., inserted a Reclamation Association statement criticizing some reclamation policies. pp. 11926-7
13. LEGISLATIVE PROGRAM. H. R. 9883, the Federal pay bill, was made the unfinished business (p. 12038).



## EXTRA LONG STAPLE COTTON

JUNE 16, 1960.—Ordered to be printed

Mr. ELLENDER, from the Committee on Agriculture and Forestry, submitted the following

### R E P O R T

[To accompany H.R. 12115]

The Committee on Agriculture and Forestry, to whom was referred the bill (H.R. 12115) to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop, having considered the same, report thereon with a recommendation that it do pass without amendment.

The bill provides that the marketing quota for long staple cotton shall be the same for the 1961 crop as for the 1960 crop. The bill is fully explained in the attached report of the House Committee on Agriculture. The House report also contains the favorable report from the Department of Agriculture.

[H. Rept. 1729, 86th Cong., 2d sess.]

The Committee on Agriculture, to whom was referred the bill (H.R. 12115) to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE OF THE BILL

The purpose of this bill is to provide that the marketing quota for long staple cotton shall be the same for the 1961 crop as for the 1960 crop. This will prevent a reduction of approximately 50 percent in the acreage of long staple cotton which would otherwise take place in 1961, in spite of the fact that the United States produces less of this commodity than it consumes each year.

#### NEED FOR THE LEGISLATION

Although the United States produces only about half of its annual requirements for long staple cotton, domestic producers are faced

with this severe cut in their acreage because foreign long staple cotton is permitted to come into the United States in sufficient quantity to fill approximately two-thirds to four-fifths of our domestic requirements. Following a hearing last year, the Tariff Commission by a vote of 3 to 2 declined to recommend a reduction in import quotas.

Representatives of consuming mills and producers are now conducting a thorough study of the problem of long staple cotton to try to work out a sound program for it. It is understood that this report will be completed about September 1, 1960, and it is hoped that an equitable and permanent solution of this vexing problem may then be worked out. In the meantime, this committee believes that the producers of this important commodity deserve the protection afforded by this bill.

#### COST

Stocks of long staple cotton held by CCC are gradually being liquidated at market prices. The only additional cost involved in this legislation would be the possibility of loss to CCC in carrying out the price-support program in 1961.

Hearings were held on the bill herewith reported and on an identical bill (H.R. 11144) by Mr. Rhodes of Arizona. Representatives of cotton producers, the National Cotton Council, and the American Farm Bureau Federation, appeared in support of the legislation. There were no witnesses in opposition to it.

#### DEPARTMENTAL POSITION

Enactment of this legislation is recommended by the following letter from the Department of Agriculture reporting favorably on the identical bill (H.R. 11144).

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., May 11, 1960.

HON. HAROLD D. COOLEY,  
*Chairman, Committee on Agriculture,*  
*House of Representatives.*

DEAR CONGRESSMAN COOLEY: This is in reply to your request of March 17, 1960, for a report on H.R. 11144, a bill to extend the minimum national marketing quota for extra-long staple cotton to the 1961 crop.

The Department favors the enactment of this bill.

The bill changes the proviso in the last sentence of section 347(b) of the Agricultural Adjustment Act of 1938, as amended, to provide that the 1961 national marketing quota for extra-long staple cotton shall not be less than 90 percent of the 1959 national marketing quota for such cotton. This would establish the same minimum national quota for the 1961 crop of such cotton as that established for the 1960 crop under Public Law 86-341.

The 1959 national marketing quota for extra-long staple cotton was 73,989 bales. The 1960 national marketing quota for this cotton was 66,590 bales. If this bill is approved the 1961 national marketing quota would be 66,590 bales. Under present law the 1961 national marketing quota for such cotton would probably be around 36,000 bales. Such an abrupt reduction would have a very adverse effect on the producers of this cotton.



On August 1, 1959, the Commodity Credit Corporation owned 71,328 bales of extra-long staple cotton and had an additional 40,709 bales of stockpile cotton available for sale, making a total of 112,037 bales. On March 11, 1960, the Commodity Credit Corporation owned 54,209 bales of this cotton, had made loans on 28,442 bales of 1959 crop cotton, and had 34,407 bales of stockpile cotton available for sale, making a total of 117,058 bales. Thus, there has been only a small increase in CCC stocks during the current marketing year. By August 1, 1960, CCC stocks of this cotton are expected to be as low or lower than a year earlier.

Our domestic producers of extra-long staple cotton have voluntarily accepted a lower price-support level than producers of most other price-supported commodities. In addition to the 10-percent reduction in quotas from 1959 to 1960, under present law it appears that domestic producers of extra-long staple cotton would be required to reduce their operations about 45 percent from 1960 to 1961. We do not feel that our domestic producers should be required to make such a drastic reduction.

Representatives of consuming mills and the producers of extra-long staple cotton are jointly sponsoring a thorough study of price levels at which such cotton can be made competitive and other matters relating to development of a sound program for such cotton. They have employed an independent economist to make this study and it is understood that his report will be completed by about September 1, 1960.

Extra-long staple cotton grown in this country is currently more nearly competitive pricewise with foreign competitive growths than was the case last year. Therefore, in view of the study now being made and the fact that stocks of this cotton available for sale by CCC on August 1, 1960, are expected to be as low or lower than on August 1, 1959, it is felt that this bill proposes a satisfactory solution for the 1961 crop.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

\* \* \* \* \*

#### LONG STAPLE COTTON

SEC. 347. (a) Except as otherwise provided by this section, the provisions of the Part shall not apply to extra long staple cotton which is produced from pure strain varieties of the Barbados species, or any hybrid thereof, or other similar types of extra long staple cotton

designated by the Secretary having characteristics needed for various end uses for which American upland cotton is not suitable, and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of such varieties or types.

(b) Whenever during any calendar year, not later than October 15, the Secretary determines that the total supply of cotton described in subsection (a) for the marketing year beginning in such calendar year will exceed the normal supply thereof for such marketing year by more than 8 per centum, the Secretary shall proclaim such fact and a national marketing quota shall be in effect for the crop of such cotton produced in the next calendar year. The Secretary shall also determine and specify in such proclamation the amount of the national marketing quota in terms of the quantity of cotton described in subsection (a) adequate to make available a normal supply of cotton, taking into account (1) the estimated carry-over at the beginning of the marketing year which begins in the next calendar year, and (2) the estimated imports during such marketing year: *Provided*, That beginning with the 1961 crop of extra long staple cotton, such national marketing quota shall be an amount equal to (1) the estimated domestic consumption plus exports for the marketing year which begins in the next calendar year, less (2) the estimated imports, plus (3) such additional number of bales, if any, as the Secretary determines is necessary to assure adequate working stocks in trade channels until cotton from the next crop becomes readily available without resort to Commodity Credit Corporation stocks. The national marketing quota for cotton described in subsection (a) for any year shall not be less than the larger of thirty thousand bales or a number of bales equal to 30 per centum of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed: **[*Provided, however*, That the national marketing quota for the 1960 crop of such cotton shall not be less than 90 per centum of the 1959 marketing quota for such cotton.]** *Provided, however*, That the national marketing quota for 1960 and 1961 crops of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton.

(c) All provisions of this Act, except section 342, subsection (h), (k), and (l) of section 344, the parenthetical provisions relating to acreages regarded as having been planted to cotton, and the provisions relating to minimum small farm allotments, shall, insofar as applicable, apply to marketing quotas and acreage allotments authorized by this section: *Provided*, That the applicable penalty rate for such cotton under section 346 shall be the higher of 50 per centum of the parity price or 50 per centum of the support price for extra long staple cotton as of the date specified therein.

(d) Unless marketing quotas are in effect under subsection (b) of this section, the penalty provisions of section 346 shall not apply to any cotton the staple of which is one and one-half inches or more in length.

(e) The exemptions authorized by subsections (a) and (d) of this section shall not apply unless (1) the cotton is ginned on a roller-type gin or (2) the Secretary authorizes the cotton to be ginned on another type gin for experimental purposes or to prevent loss of the cotton due to frost or other adverse condition.

Calendar No. 1661

86TH CONGRESS  
2D SESSION

# H. R. 12115

[Report No. 1599]

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IN THE SENATE OF THE UNITED STATES

JUNE 7, 1960

Read twice and referred to the Committee on Agriculture and Forestry

JUNE 16, 1960

Reported by Mr. ELLENDER, without amendment

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## AN ACT

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 347 (b) of the Agricultural Adjustment Act of  
4       1938, as amended, is amended by amending the proviso in  
5       the last sentence to read as follows: "*Provided, however,*  
6       That the national marketing quota for 1960 and 1961 crops  
7       of such cotton shall be not less than 90 per centum of the  
8       1959 marketing quota for such cotton."

Passed the House of Representatives June 6, 1960.

Attest:

RALPH R. ROBERTS,

*Clerk.*



86TH CONGRESS  
2D SESSION

# H. R. 12115

[Report No. 1599]

## AN ACT

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

JUNE 7, 1960

Read twice and referred to the Committee on Agriculture and Forestry

JUNE 16, 1960

Reported without amendment







calendar, and Poage farm bill; and for the remainder of the week: supplemental appropriation bill, H. R. 12176, extension of farm labor program, H. R. 7624, food additives bill, and H. R. 9996, importation of excess property.  
(p. 12136) He Also stated that any votes on Mon. or Tues. would go over until Wed. (p. 12174)

18. ADJOURNED until Mon., June 20. p. 12175

SENATE - JUNE 18

19. COTTON. Passed as reported H. R. 11646, to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision. p. 12275

Passed without amendment H. R. 12115, to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop. This bill will now be sent to the President. p. 12276

20. DAIRY PRICE SUPPORTS. Passed over, at the request of Sen. Hart, S. 2917, to establish a price support level for milk and butterfat. p. 12275

21. ACREAGE ALLOTMENTS. Passed as reported S. 3117, to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage. p. 12276

22. CHEMICAL PESTICIDES. Passed without amendment H. R. 7480, to amend the Federal Food, Drug, and Cosmetic Act so as to provide that the term "chemical preservative" shall not apply to a pesticide chemical when used in or on a raw agricultural commodity produced from the soil, and to require that shipping containers for raw agricultural commodities be labeled to indicate by name or function the presence of any pesticide chemical that had been applied after harvest. This bill will now be sent to the President. pp. 12269-70

Passed over, at the Request of Sen. Hart, S. 3473, to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls. p. 12276

Sens. Curtis and Carlson criticized a statement by the Food and Drug Administration that the use of 2-4D weed killer on wheat fields might make the wheat unsalable, and invited any interested Senators to a meeting scheduled today for resolving the problem created by this announcement. pp. 12310-2

23. PERSONNEL. Passed over, at the request of Sen. Hart, H. R. 4601, to amend the act of Sept. 1, 1954, in order to limit to cases involving the national security the prohibition of payment of annuities and retired pay to officers and employees of the U. S. and S. 1638, to provide for an effective system of personnel administration for the executive branch of the Government. p. 12269

Passed without amendment S. 3486, to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the U. S. p. 12272

Passed without amendment S. 3485, to amend section 7 of the Administrative Expenses Act of 1946, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the U. S. p. 12274

24. WATERSHEDS. Passed without amendment H. R. 11615 (in lieu of similar S. 3383), to amend Sec. 4 of the Watershed Protection and Flood Prevention Act to authorize Federal assistance on watershed projects prior to acquisition of land,



June 18, 1960

Agreed to the following amendments:

By Rep. Coffin to provide that none of the funds for technical cooperation shall be used to initiate any project or activity which has not been justified to the House and Senate (rather than justified to the Committees of Appropriations of the House and Senate as provided in the bill as reported). pp. 12129-30

By Rep. Yates to strike out a provision of the bill which would have provided that none of the funds could be used for the Indus River Basin project in India and Pakistan. pp. 12138-43

By Rep. Roosevelt to increase the appropriation for technical cooperation from \$150,000,000 to \$172,000,000. pp. 12130-1

By Rep. Reuss to strike out a provision of the bill providing that none of the funds shall be used to study the advisability of a Point Four Youth Corps to train young people to serve abroad in the technical cooperation program. pp. 12149-54

11. **TRANSPORTATION.** The Interstate and Foreign Commerce Committee reported the following bills: p. 12175

S. 1508, without amendment, to provide for the economic regulation of the Alaska Railroad under the Interstate Commerce Act (H. Rept. 1913);

S. 1509, with amendment, to amend the Interstate Commerce Act so as to provide for "grandfather" rights (preference rights for certain carriers operating in the past) for certain motor carriers and freight forwarders in Alaska (H. Rept. 1914).

12. **PERSONNEL.** The Post Office and Civil Service Committee reported with amendment S. 2857, to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under the act (H. Rept. 1916). p. 12175

13. **PUBLIC LANDS.** A subcommittee of the Interior and Insular Affairs Committee voted to report with amendment H. R. 10418, to revise the boundaries of the Coronado National Memorial. p. D570

14. **FRUIT AND NUT IMPORTS.** The "Daily Digest" states that the Rules Committee tabled H. R. 12341, regarding import restrictions on lemons, oranges, figs, dates, and walnuts. p. D570

15. **WHEAT; FARM PROGRAM.** Rep. Riehlman inserted a newspaper editorial urging enactment of legislation to provide a "new approach" to the farm program, stating that last year "96 factory-style farms collected more than \$50,000 each in cash loans on their wheat." p. 12171

16. **SMALL BUSINESS; MARKETING.** Rep. Patman inserted his testimony, and that of Rep. McFall, before the House Interstate and Foreign Commerce Committee supporting the enactment of legislation to prohibit the sale of commodities at unreasonably low prices. pp. 12160-66

17. **LEGISLATIVE PROGRAM.** Rep. Albert announced the following legislative program: Mon., June 20: consent calendar, followed by the following bills under motions to suspend the rules: S. 1508, Alaska railroad regulation, S. 1509, grandfather rights for motor carriers in Alaska, H. R. 9600, donation of surplus property, and H. R. 11499, use of surplus property by States; Tues: Private



such terms as he may deem advisable, to grant and convey by proper instrument a perpetual easement to the trustees of the Cincinnati Southern Railway, their successors and assigns, in, upon, across, and over national forest lands and other lands under the jurisdiction of the Department of Agriculture for the construction, maintenance, and operation of the line of railway incident to the relocation of its main line between Tateville, Kentucky, and Flat Rock, Kentucky, and for any related purposes deemed appropriate by the Secretary: *Provided*, That such easement (a) shall be granted only upon a finding by the Secretary that it will not be incompatible with the public interest, (b) shall not include any more land than is reasonably necessary for the purpose for which granted, (c) shall include provisions for payment of adequate compensation, and (d) may include a right to use from the subject lands materials and products for the construction and maintenance of authorized improvements thereon upon the payment of adequate compensation therefor.

SEC. 2. All or any part of such easement may be annulled or forfeited by declaration of the Secretary for failure to comply with the terms of the grant or for nonuse for a period of two consecutive years or abandonment of rights granted under authority hereof.

#### TREATMENT OF BASIC AGRICULTURE COMMODITIES

The Senate proceeded to consider the bill (S. 3117) to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage, which had been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after the enacting clause and insert:

That section 374(b) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1374(b)), is amended by striking out the last sentence thereof.

SEC. 2. Section 374(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: "The Secretary shall by appropriate regulations provide for the remeasurement upon request by the farm operator of the acreage planted to such commodity on the farm and for the measurement of the acreage planted to such commodity on the farm remaining after any adjustment of excess acreage hereunder and shall prescribe the conditions under which the farm operator shall be required to pay the county committee for the expense of the measurement of adjusted acreage or the expense of remeasurement after the initial measurement or the measurement of adjusted acreage. The regulations shall also provide for the refund of any deposit or payment made for the expense of the remeasurement of the initially determined acreage or the adjusted acreage when because of an error in the determination of such acreage the remeasurement brings the acreage within the allotment or permitted acreage or results in a change in acreage in excess of a reasonable variation normal to measurements of acreage of the commodity. Unless the requirements for measurement of adjusted acreage are met by the farm operator, the acreage prior to such adjustment as determined by the county committee shall be considered the acreage of the commodity on the farm in determining whether the applicable farm allotment has been exceeded.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### EXTENSION OF MINIMUM MARKETING QUOTA FOR EXTRA LONG STAPLE COTTON

The bill (H.R. 12115) to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop was considered, ordered to a third reading, read the third time, and passed.

#### CONVEYANCE OF CERTAIN REAL PROPERTY TO THE VILLAGE OF HIGHLAND FALLS, N.Y.

The Senate proceeded to consider the bill (H.R. 6479) to provide for the conveyance of certain real property of the United States to the village of Highland Falls, N.Y., which had been reported from the Committee on Armed Services, with an amendment, on page 1, line 3, after the word "at", to strike out "50 per centum of the".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### BILLS PASSED OVER

The bill (S. 3473) to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls, was announced as next in order.

Mr. HART. Mr. President, by request, I ask that the bill go over, and I also ask the Calendar Nos. 1664, H.R. 12381, which is the pending business, also go over.

The PRESIDING OFFICER. Calendar Nos. 1663 and 1664 will be passed over.

#### QUIET TITLE TO CERTAIN LANDS WITHIN THE NEZ PERCE INDIAN RESERVATION, IDAHO

The Senate proceeded to consider the bill (S. 2711) to quiet title to certain lands within the Nez Perce Indian Reservation, Idaho, and for other purposes, which has been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, after line 2, to strike out:

SEC. 3. This Act shall become effective upon entry of the Nez Perce Tribe into a stipulation in litigation now pending before the Indian Claims Commission under section 2 of the Act of August 13, 1946 (60 Stat. 1049) that this land is not involved in such litigation.

And, in lieu thereof, to insert:

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

So as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of*

*America in Congress assembled*, That all of the right, title, and interest of the United States in the lands within the Nez Perce Reservation, Idaho, now reserved for agency, school, or cemetery purposes is hereby declared to be held in trust for the Nez Perce Tribe of Indians, subject to the right of the United States to use said lands for agency, school, or administrative purposes.

SEC. 2. Nothing in this Act shall be construed as confirming or denying the claim that said lands have, since 1855 and up to the effective date of this Act been held in trust by the United States for the Nez Perce Tribe.

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### TRUSTEESHIP OF CERTAIN LANDS FOR THE CHEYENNE RIVER SIOUX TRIBE OF INDIANS

The Senate proceeded to consider the bill (H.R. 4786) declaring certain lands to be held in trust for the Cheyenne River Sioux Tribe of Indians of South Dakota, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, after line 13, to insert a new section, as follows:

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### CONVEYANCE OF CERTAIN LAND IN TRUST TO THE CITIZEN BAND OF POTAWATOMI INDIANS OF OKLAHOMA

The Senate proceeded to consider the bill (H.R. 7990) to convey certain land of the United States in trust to the Citizen Band of Potawatomi Indians of Oklahoma, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Interior is authorized and directed to convey to the Citizen Band of Potawatomi Indians of Oklahoma, all right, title, and interest of the United States in and to approximately 57.99 acres of land more particularly described in section 2 of this Act, subject to the right of the Absentee Shawnee of Oklahoma, Sac and Fox of Oklahoma, Kickapoo of Oklahoma, and Iowa Tribe of Oklahoma to use the Potawatomi community house that may be constructed and maintained thereon. The title of the tribe thereto shall be subject to



or interest in land with respect to which such application was filed in accordance with the applicable provisions of the Federal Property and Administrative Services Act of 1949.

SEC. 3. As used in this Act, the term "former owner" means the person from whom any land or interest in land referred to in subsection (a) of the first section of this Act was acquired by the United States; or if any such person is deceased, his spouse; or if such spouse is also deceased, one or more of his natural or adopted children.

SEC. 4. No application shall be received by the Administrator pursuant to the provisions of this Act after one year from the date of its enactment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### PENALTIES FOR USE OF GOVERNMENT-OWNED VEHICLES FOR OTHER THAN OFFICIAL PURPOSES

The Senate proceeded to consider the bill (H.R. 766) to amend section 5 of the act of July 16, 1914, relating to penalties for the use of Government-owned vehicles for other than official purposes, which had been reported from the Committee on Government Operations, with an amendment on page 1, after line 9, to strike out:

Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned vehicle or aircraft, or of any vehicle or aircraft leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be subject to such disciplinary action as the head of the department concerned or his representative may prescribe, which disciplinary action may include removal from his position, if circumstances warrant.

And, in lieu thereof, to insert:

Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned vehicle or aircraft, or of any vehicle or aircraft leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be suspended from duty by the head of the department concerned, without compensation, for not less than one month, and shall be suspended for a longer period or summarily removed from office if circumstances warrant.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

#### NATIONAL TROPICAL BOTANIC GARDEN

The Senate proceeded to consider the bill (S. 2919) to provide that the Secretary of the Smithsonian Institution shall study and investigate the desirability and feasibility of establishing and maintaining a national tropical botanic garden, which had been reported from the Committee on Public Works, with an amendment, to strike out all after the enacting clause and insert:

That the President of the United States is authorized to have a complete study and investigation made of the desirability and feasibility of establishing and maintaining a national tropical botanic garden to be

located in the State of Hawaii for the purpose of research and education concerning tropical flora, and for the instruction and recreation of the people. The study and investigation may be made by such departments or agencies as the President may designate.

SEC. 2. There shall be submitted to Congress, within one year after funds are made available to conduct the study and investigation authorized by this Act, a report of the findings of such study and investigation, together with such recommendations as are deemed appropriate. Such report shall contain, but shall not be limited to, specific findings with respect to (1) which department or agency of the Federal Government would be best suited to establish and maintain the botanic garden referred to in the first section of this Act, and (2) the estimated cost to the United States of establishing and maintaining such a botanic garden.

SEC. 3. There are hereby authorized to be appropriated such sums, not to exceed \$5,000 as may be necessary to carry out the provisions of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill providing for a study and investigation of the desirability and feasibility of establishing and maintaining a national tropical botanic garden."

#### BILLS PASSED OVER

The bill (S. 3672) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, was announced as next in order.

Mr. HART. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3278) to amend section 701 of the Housing Act of 1954 (relating to urban planning grants), and title II of the Housing Amendments of 1955 (relating to public facility loans), to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas, was announced as next in order.

Mr. HART. Mr. President, this bill is a very desirable one; but I must ask that it go over, by reason of the fact that it is not appropriate for disposition during the call of the calendar.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (S. 2917) to establish a price support level for milk and butterfat was announced as next in order.

Mr. HART. Mr. President, let me say that this bill, too, is a very desirable one; but, again, I must ask that the bill go over, by reason of the fact that it is not appropriate for disposition during the call of the calendar.

The PRESIDING OFFICER. Objection is heard, and the bill will go over.

#### RELEASE OF RESTRICTIONS AND RESERVATIONS IN CONVEYANCE OF CERTAIN LAND TO THE STATE OF WISCONSIN

The bill (H.R. 11952) to repeal the act of May 29, 1958, which authorized and

directed the Administrator of General Services to provide for the release of restrictions and reservations contained in an instrument conveying certain land by the United States to the State of Wisconsin was considered, ordered to a third reading, read the third time, and passed.

#### COLLECTION AND PUBLICATION OF STATISTICS OF GRADE AND STAPLE LENGTH OF COTTON

The Senate proceeded to consider the bill (H.R. 11646) to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 2, line 12, after "(c)", to strike out "for any person to alter, or cause to be altered, any sample taken for classification under this Act by any means such as trimming, peeling, or dressing the sample, or by removing any leaf, trash, dust, or other material from the sample" and insert "for any person knowingly to alter or cause to be altered a sample taken for classification under this Act by any means such as trimming, peeling, or dressing the sample, or by removing any leaf, trash, dust, or other material from the sample for the purpose of misrepresenting the actual quality of the bale from which the sample was taken".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### BILL PASSED OVER

The bill (S. 3450) to amend section 22 (relating to the endowment and support of colleges of agriculture and mechanic arts) of the act of June 29, 1935, to increase the authorized appropriation for resident teaching grants to land grant institutions, was announced as next in order.

Mr. HART. Mr. President, again, it is a desirable bill, but certainly not appropriate for calendar action. I ask that it go over.

The PRESIDING OFFICER. The bill will go over.

#### EASEMENT OF CERTAIN LANDS TO THE CINCINNATI SOUTHERN RAILWAY

The bill (S. 3665) to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway, their successors, and assigns was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture is authorized, upon







Public Law 86-566  
86th Congress, H. R. 12115  
June 30, 1960

AN ACT

74 STAT. 295.

To extend the minimum national marketing quota for extra long staple cotton to the 1961 crop.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 347(b) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the proviso in the last sentence to read as follows: "*Provided, however,* That the national marketing quota for 1960 and 1961 crops of such cotton shall be not less than 90 per centum of the 1959 marketing quota for such cotton." Extra long staple cotton. 73 Stat. 611. 7 USC 1347.

Approved June 30, 1960.







